

A N N U A L R E P O R T

Alberta Advanced Education

2 0 0 4 - 2 0 0 5

Alberta

2005
Alberta Centennial

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Public Accounts 2004-05 – Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 29, 2005 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Advanced Education contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry including the Department of Advanced Education, regulated funds* and provincial agencies** for which the Minister is responsible,
- other financial information as required by the Financial Administration Act and Government Accountability Act, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and
- financial information relating to trust funds.

* Under the Financial Administration Act (FAA), a regulated fund is a fund containing public money, such as the Ministry's Heritage Scholarship Funds.

** Refers to a provincial committee or provincial corporation.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2005, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 9, 2005 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Dave Hancock, Q.C.
Minister of Advanced Education

Message from the Minister



It is a great pleasure in this inaugural year of our new Ministry of Advanced Education to present the 2004-05 annual report. In this report you will read about the achievements and highlights that the Ministry, together with its partners, has accomplished over the last year.

As a new Ministry, we continued to provide a solid foundation and legacy of higher learning for Albertans. The work the Ministry and its stakeholders undertook last year supported the Ministry's goals and priorities in the business plan, as well as the broader goals set out by the Alberta government in its 20-year strategic plan. Education is the common thread that joins the plan's four pillars: unleashing innovation, leading in learning, competing in a global marketplace, and making Alberta the best place to live, work and visit.

Many bold new initiatives in 2004-05 further demonstrated our commitment to an accessible, affordable and high quality advanced learning system. These accomplishments were important in laying the groundwork that will create a world-leading post-secondary education system here in Alberta.

In January, all post-secondary stakeholders came together to share both short-term and long-term ideas and priorities for the future of the system. Based on what we heard, we got to work right away: committing to add 60,000 new spaces into the system by 2020, covering tuition increases in September 2005 and taking steps to address affordability. The Ministry also introduced *Bill 1: the Access to the Future Act*—legislation which created new and expanded multi-billion dollar endowments for post-secondary education.

These actions laid a strong foundation, and we now look ahead to achieving even more in the next year—a 30 per cent increase over three years in overall post-secondary spending announced in Budget 2005, a comprehensive review of the advanced learning system and a Minister's Forum in the fall of 2005. If we are to ensure Alberta's students have the opportunities and tools they need to have a bright and prosperous future, we have to focus on three key areas—accessibility, affordability and quality.

Advanced learning is vital to the current and future success of our province, and the work that the Ministry has done in the past year and the work that will be done in the coming months will have a significant and lasting impact on our province.

A large, stylized handwritten signature of Dave Hancock in dark ink.

Dave Hancock, Q.C.
Minister of Advanced Education

Management's Responsibility for Reporting

The Ministry of Advanced Education includes the Department of Advanced Education.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Advanced Education. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Advanced Education any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

W.J. Byrne
Deputy Minister of Advanced Education
September 9, 2005

Overview

Introduction

In 2004-05, Alberta Advanced Education further demonstrated the Government of Alberta's renewed commitment to post-secondary education, its vision for the future, and the intent to transform Alberta into a world-leading learning society in the 21st century.

Alberta Advanced Education's vision, mission, principles and values define the Ministry. Together, the Ministry's vision and mission present Alberta's view of the future for advanced learning and how it will be realized. The principles identify the Ministry's approach to conducting its business, and the values demonstrate the beliefs or traits that guide Ministry actions.

In late 2004, the former Ministry of Learning was divided into two separate ministries: the Ministry of Education (responsible for Kindergarten to Grade 12 education) and the Ministry of Advanced Education (responsible for post-secondary education). The vision, mission, principles, and values below are those for Alberta Learning and were in place for the 2004-05 fiscal year.

Vision

The best learning system in the world.

Mission

Alberta Learning, through its leadership and work with stakeholders, ensures that learners are prepared for lifelong learning, work and citizenship so they are able to contribute to a democratic, knowledge-based and prosperous society.

Principles

Learner Centered The lifelong learning system is focused on the learner.

Accessible Albertans have access to affordable, quality learning opportunities.

Collaborative Learning is a lifelong human endeavour that best occurs when partners and stakeholders work together to provide a holistic approach and a supportive environment.

Accountable The learning system is accountable to Albertans for quality results, system sustainability and fiscal responsibility.

Responsive The learning system is flexible and meets and anticipates learner needs.

Innovative The learning system demonstrates leading edge innovation for improved results.

Equitable Albertans have equitable access to lifelong learning opportunities.

Values

Respect • Integrity • Trust • Openness • Caring

Areas of Opportunity

The Ministry continues to play a key role in promoting and supporting the achievement of the Government of Alberta's 20-Year Strategic Business Plan. This strategic plan describes a vision for the future of the province and identifies four areas of opportunity for Alberta:

- Unleashing Innovation
- Competing in a Global Marketplace
- Leading in Learning
- Making Alberta the Best Place to Live, Work, and Visit

Strategic Priorities

The Ministry identified and responded to five strategic priorities:

- Alberta's Commission on Learning recommendations applicable to Advanced Education
- Working Effectively with Partners and Stakeholders
- Access for Adult Learners
- Pan-Canadian Initiatives
- First Nations, Metis and Inuit Learner Success

Business Plan Goals

Core businesses were established and aligned with Business Plan goals:

Support the Learning System – Lead, Promote, and Support Excellence in the Learning System Goal 1: High Quality Learning Opportunities for All

Support the Learner – Provide Opportunities for Learner Success Goal 2: Excellence in Learner Outcomes

Support the Ministry to Ensure Excellence of the Learning System Goal 3: Highly Responsive and Responsible Ministry

Highlights: Performance at a Glance

Ministry performance on core measures is compared to results over five years, or for new measures, the years for which data are available. Results for 2004/05 are summarized below and presented in more detail in the Results Analysis (pages 13-31). In assessing progress, targets are considered met if the result is within 5% of the target value, and targets are considered exceeded if the result is more than 5% above the target value (as approved by the Auditor General). The confidence interval is taken into account in assessing change over time on survey measures. (See Endnote A (page 74) and Endnote B (page 77) for a more detailed explanation of target assessment and use of confidence intervals). Unless otherwise noted, targets are for 2004/05.

Goal 1**High Quality Learning Opportunities for All****Outcome**

The learning system meets the needs of all learners, society, and the economy.

Core Measures Results

- A large majority of 2001/02 graduates (79%) surveyed in 2003/04 were satisfied with the overall quality of their post-secondary education. Results were strong in each sector, ranging from 76% for universities to 91% for private university colleges.*
- Only 6% of respondents expressed some level of dissatisfaction with the overall quality of their education.
- Very high percentages (90% or higher) of recent apprenticeship graduates continue to be satisfied with the quality of their on-the-job and technical training.
- The employment rate of Albertans aged 25 to 34 continues to remain high at 86% for post-secondary certificate/diploma graduates and 84% for university degree graduates.
- A substantial majority (69%) of the public is satisfied that most adults have access to lifelong learning.
- 46% of the public agrees that the learning system is within the means of most Albertans.

* The results of the 2003/04 survey are not comparable to the results of the previous surveys. For those results, see the Alberta Learning 2002-03 Annual Report.

Goal 2**Excellence in Learner Outcomes****Outcome**

Learners complete programs.

Core Measures Results

- 57% of Albertans aged 25 to 34 have completed post-secondary programs.
- A majority of apprentices (76%) received their journeyman certificates for completion of an apprenticeship program within two years of expected completion.
- 62% of university students complete within three years of normal program length.
- 56% of college/technical institute students complete within three years of normal program length.

Outcome

Learners are well prepared for lifelong learning.

Core Measures Results

- 32% of students have entered a post-secondary program within four years of entering Grade 10.**
- 54% of students have entered a post-secondary program within six years of entering Grade 10.**

** The high school to post-secondary transition rate is a new measure reporting the proportion of students who enter a post-secondary program within four and six years of entering Grade 10.

<i>Outcome</i>	Learners are well prepared for employment.
<i>Core Measures Results</i>	• 89% of employers are satisfied with the skills and quality of work of all learning system graduates. • 90% of employers are satisfied with the skills and quality of work of post-secondary graduates. The preparation for employment rate, as measured through employer satisfaction with learning system graduates, is a new measure.
<i>Outcome</i>	Learners are well prepared for citizenship.
<i>Core Measures Results</i>	• 70% of the public is satisfied that adult learners are well prepared for citizenship.
<i>Goal 3</i>	Highly Responsive and Responsible Ministry
<i>Outcome</i>	Improved results through effective working relationships on Cross-Ministry Initiatives and with stakeholders.
<i>Core Measures Results</i>	• 98% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are collaborative.
<i>Outcome</i>	The Ministry demonstrates leadership and continuous improvement.
<i>Core Measures Results</i>	• 82% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are responsive and flexible.

Highlights: Key Activities

Goal 1

High Quality Learning Opportunities for All

- Introduced Bill 1, the *Access to the Future Act*, outlining planned investments towards a new \$3 billion Access to the Future endowment, a \$1 billion expansion to the Alberta Heritage Scholarship Fund, and a \$500 million expansion to the Ingenuity Fund.
- Announced the creation of 60,000 learning opportunities in such areas as adult literacy, community adult learning, full and continuing learning at post-secondary institutions, and apprenticeship over the next 15 years with 15,000 of those opportunities in place by 2008 to provide Albertans the best access to post-secondary education in Canada.
- Implemented a new Tuition Fee Policy in support of the *Post-Secondary Learning Act* to ensure predictable and manageable tuition increases at post-secondary institutions.
- Announced, for Alberta's Centennial year, the payment of tuition fee increases for September 2005-06 at public, board-governed post-secondary institutions, saving students and apprentices an estimated \$43 million.
- Offered alternate delivery of apprenticeship technical training in 13 trades in response to industry needs and priorities.
- Licensed 71 new vocational training programs under the *Private Vocational Schools Act* that included licensing programs for 12 new institutions for a total of 147 institutions offering 633 licensed vocational training programs.
- Established the Campus Alberta Quality Council and developed operating principles, processes and assessment standards to review proposals from post-secondary institutions that wish to offer new degree programs.
- Announced the decision to establish a veterinary program at the University of Calgary and appointed a steering committee to guide the development of animal health education programs in Alberta.
- Raised the level of support for registered nursing programs at universities and licensed practical nursing programs at colleges by \$3.6 million.
- Awarded \$1,000 scholarships to 219 apprentices, including Registered Apprenticeship Program (RAP) apprentices, to recognize their excellence and encourage them to continue with their training.
- Implemented the Learning Clicks CD-ROM and Youth Ambassador program to communicate with young Albertans about the long-term benefits of post-secondary education and the importance of early planning. Approximately 800 presentations were made to Grade 9-12 students and more than 22,000 CD-ROMs distributed to students, teachers and administrators.
- Received the Yves Landry Foundation Program of the Year Award in recognition of the contributions of Apprenticeship and Industry Training in forging a link between business, education and government, and in promoting technological education and skills training in order to meet industry's future demands for skilled tradespeople.
- Developed Transition Kits for students in Grades 9 and 12 and for parents of students in Grades 6, 9 and 12, providing important information to assist with post-secondary education planning. Posted the Transition Kits on the Alberta Learning Information Service (ALIS) website, resulting in more than 26,000 downloads.
- Supported alternate delivery approaches for apprentices through the development of Individual Learning Modules (ILMs), which support apprenticeship technical training with more than 1,000 ILMs available serving the needs of approximately 70% of apprentices.
- Launched a secure, self-serve website that allows student borrowers to access and to view information on their Direct Alberta Student Loans.

Goal 2

Excellence in Learner Outcomes

- Launched the Alberta Centennial Education Savings Plan, which will make a one-time contribution of \$500 to any Alberta child born in 2005 and beyond whose family has opened a Registered Education Savings Plan (RESP) in that child's name.
- Worked with trades employers, Aboriginal communities and Aboriginal youth to encourage participation in trades-related careers, resulting in more than 760 Aboriginal apprentices currently registered in the apprenticeship and industry training system.
- Implemented the Youth Apprenticeship Project in five schools in the communities of High Prairie, Lac La Biche and Wabasca/Desmarais. More than 200 Grade 7 students are participating.
- Awarded \$11.8 million in Performance Envelope funding to 23 post-secondary institutions in recognition of outstanding performance in areas such as graduate employment and satisfaction, increasing accessibility, reducing administration expenditures and generating enterprise revenue.
- Funded 83 Community Adult Learning Councils, which provided 4,728 learning opportunities for 57,630 registrants in adult basic literacy, English as a second language, employability enhancement or community issues.
- Expanded access to learning opportunities in rural Community Adult Learning Councils, which resulted in an additional 816 learning opportunities for 11,075 participants.
- Engaged almost 7,000 parents and more than 7,500 preschool children in family literacy activities through 40 family literacy programs.
- Provided \$13.1 million from the Apprenticeship Access Fund to post-secondary technical training providers to maintain an additional 5,275 apprenticeship technical training spaces in response to industry needs.
- Provided approximately \$81 million in loan relief benefits and completion payments to reduce student debt levels.
- Provided more than \$23 million in scholarships under the Alberta Heritage Scholarship Fund to more than 10,700 students, an increase from the previous year.
- Issued more than \$17 million in Achievement Scholarships to approximately 15,180 Alberta post-secondary students, an increase of more than 15% from last year.
- Established a framework for a common data repository in international credentials in collaboration with 24 post-secondary institutions across Alberta and Saskatchewan.
- Administered the Early Leavers Survey to over 5,000 individuals to help identify programs and policies that encourage students to complete their programs of study.

Goal 3

Highly Responsive and Responsible Ministry

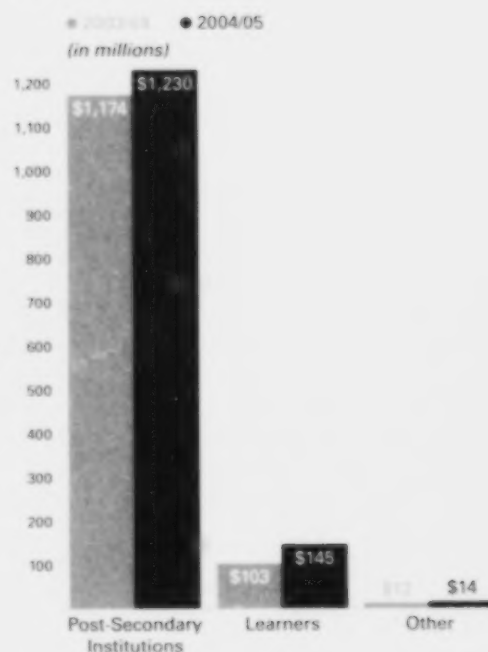
- Increased general operating and conditional grants to post-secondary institutions by \$102 million.
- Promoted increased hiring of apprentices by employers, resulting in more than 11,600 employers currently training apprentices.
- In collaboration with the federal government and Council of Ministers of Education, Canada (CMEC), launched the Pan-Canadian Designation Policy Framework, which establishes minimum pan-Canadian criteria with respect to management of student financial assistance by designated educational institutions.
- Handled more than 159,000 inquiries from clients and delivery partners through the Student Funding Contact Centre in collaboration with Alberta Human Resources and Employment, providing information about financial assistance programs for further education and training.
- Processed more than 138,000 applications for student loans, scholarships, bursaries and loan relief payments from more than 91,800 applicants.
- Accommodated an increase in the number of visitors to the Students Finance and Scholarships & Bursaries sections of the Alberta Learning Information Service (ALIS) website by approximately 18% and 21% respectively.

Financial Highlights and Analysis

Ministry grants are categorized into three recipient groups:

- Grants to Post-Secondary Institutions include operating grants and grants provided to help institutions increase the accessibility of certain post-secondary programs.
- Grants to Learners are comprised of scholarships for student achievement and student assistance grants based on financial need. Also included are student loan relief grants and an adjustment to account for the future cost of student loans issued.
- Other grants include grants to funds and agencies that provide programs to adults.

Ministry Grants



Source: Alberta Advanced Education

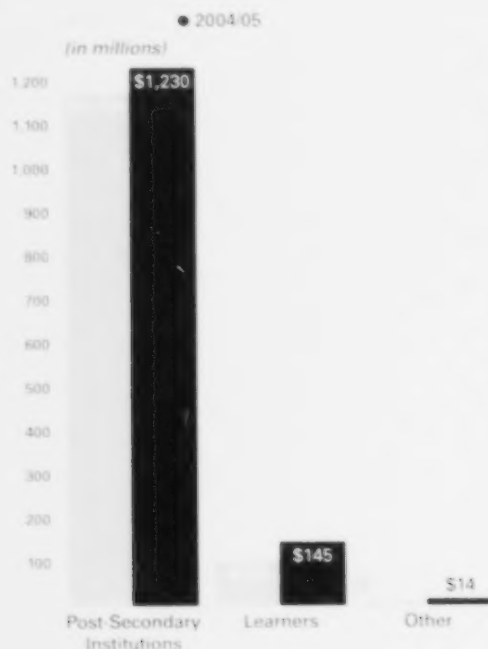
Analysis

- With its increased focus on Advanced Education, the Government of Alberta increased its financial support to the system in 2004/05. At a total of nearly \$1.4 billion in 2004/05, grants increased \$100 million over the prior year, an increase of 7.8%. Of total Ministry expenses, 96% was for grants provided directly to post-secondary institutions, adult learners and other recipients. It is also of note that Ministry expenditures stayed within approved targets.
- Post-secondary institutions received additional grant funds of approximately \$56 million primarily due to a 4% increase in operating grants and increases in the performance envelope.
- Learners received an increase of \$42 million in grants due to an increase in the cost recognized in the current year for student loans issued, as well as increased scholarships, bursaries, and loan relief benefits.
- Grants to other recipients increased \$2 million and include community programs and learning television, among others.

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Ministry Grants



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- Post-secondary institutions received additional grant funds of approximately \$36 million primarily due to a 4% increase in operating grants and increases in the performance envelope.
- Learners received an increase of \$42 million in grants due to an increase in the cost recognized in the current year for student loans issued, as well as increased scholarships, bursaries, and loan relief benefits.
- Grants to other recipients increased \$2 million and include community programs and learning television, among others.

Ministry of Advanced Education Structure



Operational Overview

In collaboration with learning providers, industry, communities, government agencies and non-governmental organizations, the Ministry of Advanced Education strives to create accessible, affordable, and quality learning opportunities that are responsive to the ongoing learning needs of Albertans.

In Fall 2004, with the increased emphasis on post-secondary education in the government's 20-year strategic plan, the former Ministry of Learning was divided into two separate departments: the Ministry of Education (for Kindergarten through Grade 12 education) and the Ministry of Advanced Education (for post-secondary and adult education).

Reflecting core businesses, the Ministry of Advanced Education is organized into the Adult Learning, Apprenticeship and Industry Training, and Strategic Corporate Services divisions. Each division provides specific expertise to the advanced learning system. All divisions share responsibility for providing integrated service by partnering with one another, as well as with other Alberta ministries, post-secondary institutions, adult learning providers, stakeholder organizations and industry.

Advanced Education's two core program divisions, Adult Learning and Apprenticeship and Industry Training, provide learning services and standards for the advanced learning system. These divisions carry out the Ministry's mission and provide a framework for achieving results and allocating resources. The core divisions work closely with advanced learning system stakeholders and ministry partners to ensure program continuity and smooth transitions for learners.

Adult Learning

Phone
780-427-8607

The **Adult Learning Division** works with adult learners, public and private post-secondary institutions, and community adult learning councils to support learners, provide learning opportunities and enhance the adult learning system. The division:

- provides funds to public institutions through operational and conditional funding;
- administers the delivery of federal and provincial student funding programs, providing information and issuing awards to students applying for loans, grants and bursaries;
- encourages and rewards excellence through scholarships and awards;
- reviews and recommends to the Minister for approval the programs and mandates for public post-secondary institutions;
- facilitates course and program transfer agreements within the post-secondary system;
- funds, supports, and provides community adult learning opportunities;
- licenses vocational programs offered by private institutions and develops recommendations in response to requests from non-resident institutions seeking to offer degree programs in Alberta;
- reviews and recommends to the Minister for approval degree programs offered by private institutions;
- provides learning opportunities through immigrant settlement, English as a Second Language, community adult learning and literacy programs;
- evaluates prior credentials of new Albertans for learning and employment opportunities;
- provides planning, coordination and policy support to adult learning providers; and
- provides information on the adult learning system to the public.

Apprenticeship and Industry Training

Phone
780-422-1185

The **Apprenticeship and Industry Training Division** works with industry, employer and employee organizations, technical training providers, government and ministry divisions to support the development, maintenance and delivery of designated trade and occupation programs. These programs:

- contribute to the development of a trained and skilled workforce, which supports the economic progress of the province and its competitive role in the global market;
- respond to current technological advancements and workplace needs; and
- support labour mobility through continued development of interprovincial standards and certification programs.

Apprenticeship and Industry Training works with the Alberta Apprenticeship and Industry Training Board, industry and others to ensure:

- high school and adult apprentices receive on-the-job training, work experience and technical training to acquire skills in designated trades;
- standards are developed in consultation with industry for technical training and industry assessments;
- technical training for apprentices is scheduled;
- long-term training needs are identified;
- institutions offer training in response to industry needs;
- records of apprentice contracts and their progress in the program are maintained; and
- the workplace is monitored for compliance with the *Apprenticeship and Industry Training Act* and regulations.

Strategic Corporate Services

Phone
780-415-4794

The **Strategic Corporate Services Division**, as a strategic partner with the Ministry's program delivery divisions, provides strategic, legal, system-wide planning, financial, information management and technology, international education, intergovernmental issues and policy management, and human resource services for the Ministry. The division:

- provides department-wide policy options and research, and the coordination of international education;
- facilitates system-wide planning, strategic information and consultation services;
- develops and implements the Ministry's human resource planning initiatives, policies and programs;
- represents the Ministry on initiatives across government, nationally and internationally;
- oversees Ministry administration and corporate records management;
- develops budgets for the Ministry's business plan and monitors budget compliance;
- prepares financial accountability reports and provides advice on financial matters to program areas;
- provides legal services and advice regarding legislation, contracts, Freedom of Information and Protection of Privacy, and related legal matters; and
- provides information management and technology services.

Communications

Phone
780-422-5400

In addition, **Communications** works with the Ministry and its stakeholders to provide communications support related to Ministry work. The branch:

- provides useful, timely and clear information to Albertans on achievements and initiatives in the advanced learning system;
- supports the Ministry in reaching its goals by providing strategic communications advice, planning services, specialized writing and editing skills; and
- represents the Ministry to the public and the media.

Results Analysis

Ministry Financial Information

Financial Results and Performance

(More detailed financial information can be found in the Ministry's financial statements on pages 32-54.)

(in millions)	2004/05		2003/04
	Budget	Actual	Actual (restated)
Revenues			
Transfers from Government of Canada	\$ 244	\$ 217	\$ 226
Alberta Heritage Scholarship Fund	22	23	22
Lottery Fund	21	21	21
Investment Income	5	4	3
Premiums, fees, licenses and other revenue	3	6	4
	295	271	276
Ministry Expenses by Core Business			
Support the Learning System	1,246	1,254	1,193
Support the Learner	200	186	141
Support the Ministry	10	9	8
	1,456	1,449	1,342
Net Operating Results	\$ (1,161)	\$ (1,178)	\$ (1,066)

Overview

The Government of Alberta gave financial support to facilitate its increased focus on the Advanced Education system in the 2004/05 fiscal year. Funding to Advanced Education programs rose \$107 million over the prior year, an increase of 8%. Of total Ministry spending, 96% was for grants provided directly to post-secondary institutions, adult learners and other recipients. It is of note that Ministry expenditures stayed within approved targets.

The Ministry's new core business structure breaks financial information into three key areas:

Support the Learning System –

Lead, Promote and Support Excellence in the Learning System

Support to the Learning System increased by \$61 million in 2004/05 over the prior year. This increase in funding was primarily due to the provision of additional operating grants to post-secondary institutions and increased program support for Apprenticeship and Industry Training programs.

Support the Learner –

Provide Opportunities for Learner Success

Funding for programs to Support the Learner increased \$45 million in 2004/05. This increase reflects the cost recognized in the current year for student loans issued, as well as increased scholarships, bursaries and loan relief benefits.

Support the Ministry

to Ensure Excellence of the Learning System

Ministry Support Services worked to provide high level service in an efficient manner. Costs for the year came in at \$9 million, \$1 million less than budgeted, and less than 1% of the total ministry expenses.

Revenues

The Ministry of Advanced Education took in \$271 million in revenue in 2004/05 from various sources:

- \$217 million in revenue was received in transfers from the Government of Canada:
 - \$216 million in Canada Social Transfers; and
 - \$1 million in support of Canada Student Loans administration.
- \$44 million was received through internal government transfers:
 - \$23 million from the Alberta Heritage Scholarship Fund; and
 - \$21 million from the Lottery Fund.
- Approximately \$4 million in interest revenue was earned as a result of providing student loans to learners.
- \$6 million in premiums, fees, licenses other revenue was derived from various programs such as Marketing Apprenticeship and the International Qualifications Assessment Service, as well as other miscellaneous revenue sources.

Revenues by Source



Comparison of 2004/05 Actuals to Budget

Revenues were \$24 million lower than budgeted as a result of the following:

- \$27 million less than budgeted in Canada Social Transfer revenue; offset by
- A total of \$3 million more than budgeted in other areas, including refunds of expenditures made in prior years.

Comparison of 2004/05 Actuals to Prior Year

Revenues for the Ministry decreased \$5 million from 2003/04. The decrease is comprised of:

- A reduction in the Ministry's share of Canada Social Transfers from the federal government of \$9 million; offset by
- Small increases totaling \$4 million in other revenue areas including investment income and Alberta Heritage Scholarship Fund revenue.

Expenses

Expenses for the Ministry of Advanced Education totaled \$1,449 million in 2004/05. Expenses were incurred by each core businesses as follows:

- \$1,254 million in expenses to Support the Learning System:
 - \$1,222 million in funding to post-secondary institutions through several grant programs:
 - \$1,088 million in operating grants;
 - \$117 million in special funding aimed at increasing the accessibility of post-secondary programs;
 - \$12 million in performance envelope funding; and
 - \$5 million in funding to inter-jurisdiction programs.
 - \$18 million in delivery support for Apprenticeship and Industry Training programs;
 - \$14 million in other program funding, including high speed networking and delivery support.
- \$186 million to Support the Learner:
 - \$62 million in scholarships and bursaries including Alberta Heritage Scholarships, Achievement Scholarships, Alberta Opportunities and Special Needs Bursaries and Maintenance Grants;
 - \$49 million in costs associated with student loans that have been issued;
 - \$34 million in student loan relief benefits;
 - \$20 million in learner-related programs including Community Programs and Learning Television;
 - \$10 million in program systems support, and a further \$8 million in program delivery support; and
 - \$3 million in Marketing Apprenticeship.
- \$9 million in expenses to Support the Ministry. Support costs for the Ministry include:
 - \$3 million for Information and Strategic Services;
 - \$2 million for Financial and Administrative Services;
 - \$1 million for Human Resource Services;
 - \$3 million for other ministry support areas, including Legislative Services and Communications, among others.

Ministry Expense by Core Business



Source: Alberta Advanced Education

Comparison of 2004/05 Actuals to Budget

Over the three core businesses, expenses in total were \$7 million less than budgeted as a result of the following:

- \$15 million decrease in expenses to Support the Learners primarily due to:
 - \$11 million decrease in the provision for the liability for student loans issued, and
 - \$4 million unexpended budget for the Alberta Centennial Education Savings plan.
- \$1 million decrease in expenses to Support the Ministry.
- \$9 million increase in expenses to Support the Learning System including the following changes from budget:
 - \$5 million increase in general operating grants to post-secondary institutions;
 - \$4 million increase in Apprenticeship and Industry Training program support;
 - \$12 million increase for unbudgeted, one-time performance envelope grants;
 - \$12 million decrease in other program delivery expenses;
 - \$29 million decrease due to a reallocation of Access funding to general operating grants for post-secondary institutions.

Comparison of 2004/05 Actuals to Prior Year

The Ministry of Advanced Education's financial support to adult learning increased \$107 million over 2003/04. This is a result of:

- \$61 million increase in expenses for Support the Learning System:
 - \$41 million increase as a result of a 4% increase in post-secondary operating grants rates;
 - \$13 million increase due to additional performance envelope funding and other grant increases to post-secondary institutions;
 - \$4 million increase in Apprenticeship delivery funding;
 - \$3 million increase in delivery support initiatives including high speed networking.
- \$45 million increase in expenses for Support the Learner:
 - \$35 million increase in the provision for the liability for student loans issued;
 - \$4 million increase in scholarships and bursaries including Alberta Heritage Scholarships;
 - \$3 million increase in student loan relief benefits;
 - \$3 million increase in support for learner-related programs including Community Programs, Learning Television and Marketing Apprenticeship.
- \$1 million increase in expenses to Support the Ministry.

Grants

Grants accounted for \$1,389 million (96%) of the total amount of the Ministry's expenses.

- Grants to post-secondary institutions totaled \$1,230 million and consisted of:
 - \$1,090 million in operating and conditional grant funding;
 - \$117 million to support program expansion through the Access Fund; and
 - \$23 million in other funding initiatives including Inmate Programs and Community Adult Learning programs provided through post-secondary institutions.
- Grants to adult learners totaled \$145 million and were comprised of:
 - \$73 million in assistance to learners in the form of Student Loan Relief Benefit grants, Maintenance Grants, Alberta Opportunities Bursaries, achievement and other scholarships;
 - \$49 million as a provision for the future cost of student loans for remissions, defaults, interest and loan guarantees; and
 - \$23 million in scholarships funded through the Alberta Heritage Scholarship Fund.
- Other grants were provided to recipients providing community education programs and learning television for a total of \$14 million.

Expenses by Function

- All expenses (\$1,449 million) incurred by the Ministry of Advanced Education are in support of the Government of Alberta's 'Education' function.

Non-Budgetary Disbursements

The Ministry of Advanced Education provides additional, non-budgetary support to adult learners through the administration and servicing of student loans. \$97 million in disbursements occurred to support the student loan system:

- \$89 million in direct loan disbursements,
- \$4 million in student loan Servicing costs; and
- \$4 million in loan relief completion payments.

Also included in non-budgetary disbursements was payment of a \$31 million commitment to assist the University of Calgary to acquire a research facility.

Auditor General's Report**Report of the Auditor General on the Results of Applying
Specified Auditing Procedures to Performance Measures**

To the Members of the Legislative Assembly

In connection with the Ministry of Advanced Education's performance measures included in the *2004-2005 Annual Report of the Ministry of Advanced Education*, I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated from organizations included in the financial statements of the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports. For the measure shown as *High School to Post-secondary Transition Rate*, I tested the procedures used to compile the underlying data for the most recent and immediately preceding year, and reviewed earlier results for reasonableness.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2004-2005 Annual Report of the Ministry of Advanced Education*.

A handwritten signature in dark ink, appearing to read "Fred J. Dunn".

FCA
Auditor General

Edmonton, Alberta
August 10, 2005

Discussion and Analysis of Results

Goal 1

High Quality Learning Opportunities for All

Strategies

In support of this goal in 2004/05, Advanced Education adopted the following strategies:

- Promote learning excellence through the continuous improvement of the learning system.
- Respond to emerging labour market demands and support Alberta's transition to a knowledge-based economy.
- Increase the level of educational attainment within Alberta through expanded access, awareness, and participation.
- Integrate new learning technologies to support development of the learning system.

Key Accomplishments

- Introduced Bill 1, the *Access to the Future Act*, outlining planned investments towards a new \$3 billion Access to the Future endowment, a \$1 billion expansion to the Alberta Heritage Scholarship Fund, and a \$500 million expansion to the Ingenuity Fund.
- Announced the creation of 60,000 learning opportunities in such areas as adult literacy, community adult learning, full and continuing learning at post-secondary institutions, and apprenticeship over the next 15 years with 15,000 of those opportunities in place by 2008, expected to provide Albertans the best access to post-secondary education in Canada.
- Announced, for Alberta's Centennial year, the payment of tuition fee increases for September 2005-06 at public, board-governed post-secondary institutions, saving students and apprentices an estimated \$43 million.
- Raised the level of support for registered nursing programs at universities and licensed practical nursing programs at colleges by \$3.6 million.
- Awarded \$1,000 scholarships to 219 apprentices, including Registered Apprenticeship Program (RAP) apprentices, to recognize their excellence and encourage them to continue with their training.
- Implemented the Learning Clicks CD-ROM and Youth Ambassador program to communicate with young Albertans about the long-term benefits of post-secondary education and the importance of early planning. Approximately 800 presentations were made to Grade 9-12 students and over 22,000 CD-ROMs were distributed to students, teachers, and administrators.
- Launched a secure, self-serve website that allows student borrowers to access and to view information on their Direct Alberta Student Loans.

Performance Summary

- 79% of post-secondary institute graduates were satisfied with the overall quality of their education.
- 93% of apprenticeship graduates were satisfied with their technical training.
- 91% of apprenticeship graduates were satisfied with their on-the-job training.
- Employment rates for post-secondary graduates remain at 86% for certificate and diploma graduates and 84% for degree graduates.
- 69% of the public is satisfied that adult Albertans have access to lifelong learning.
- 46% of the public agrees that the learning system is within the means of most Albertans.

Goal 1 Core Measures

Outcome The learning system meets the needs of all learners, society and the economy.

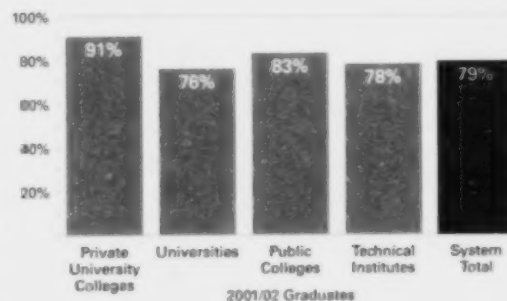
Measure *Satisfaction of Post-Secondary Institution Graduates*

This measure is based on a significant change in methodology, so previous data is not comparable. No target was established.

- A large majority of 2001/02 graduates (79%) surveyed in 2003/04 were satisfied with the overall quality of their post-secondary education.
- Results were strong in each sector as well, ranging from 76% for universities to 91% for private university colleges.
- Only 6% of respondents expressed some level of dissatisfaction with the overall quality of their education, and 15% expressed neither satisfaction nor dissatisfaction.
- 2001/02 graduates of certificate, diploma and degree programs were surveyed two years after graduation as part of the new combined post-secondary graduate satisfaction and employment survey. Previous satisfaction surveys were exit surveys, conducted at the time of graduation, and also included adult learners completing preparatory and basic upgrading programs.

Performance Measure

Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Education (new methodology)



Source: Alberta Advanced Education

Notes

- Includes graduates of parchment programs (i.e. certificate, diploma and degree programs).
- The survey was last conducted by R.A. Malatest and Associates in 2003/04 for students who graduated in 2001/02.
- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.

Outcome The learning system meets the needs of all learners, society and the economy.

Measure *Satisfaction of Apprenticeship Training Graduates*

The target for both measures was 90%+. The targets were met.

- Very high percentages of recent apprenticeship graduates continue to be satisfied with the quality of their on-the-job and technical training.
- 2004/05 satisfaction levels for both on-the-job training and technical training experienced a statistically significant decrease. In good economic times, when jobs are plentiful, satisfaction may be affected because of the pressure of work reducing the time available for training.

Performance Measure

Satisfaction of Recent Apprenticeship Graduates with On-the-Job Training and Technical Training



Source: Alberta Advanced Education; Nichols Applied Management. - 1999, 2003; R.A. Malatest & Associates - 2001; Banister Research Inc. - 2005

Notes

- Graduates of apprenticeship programs in 1997/98, 1999/2000, 2001/02 and 2003/04 (based on the August 1 - July 31 year) were surveyed 6 to 18 months after graduation.
- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.

Goal 1

Core Measures

Outcome

The learning system meets the needs of all learners, society and the economy.

Measure

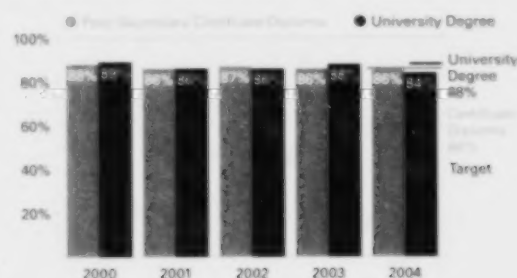
Preparation for Employment

The targets for 2004/05 were 86% for post-secondary certificate/diploma graduates and 88% for university degree graduates. Targets were met since results are within 5% of the target.

- Employment rates for post-secondary graduates remain high at 86% for certificate and diploma graduates, and 84% for degree graduates.
- Employment rates are consistently higher for post-secondary graduates than for high school graduates. Post-secondary graduates typically have developed more job-related skills than high school graduates.

Performance Measure

Employment Rate of Albertans aged 25 to 34



Source: Statistics Canada, Labour Force Survey, Special tabulation for Alberta Advanced Education

Notes

- The post-secondary certificate/diploma category includes apprenticeship graduates.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.
- See Endnote D (page 78) for information on the use of the Labour Force Survey to estimate employment rates.

Outcome

All Albertans can participate in quality learning.

Measure

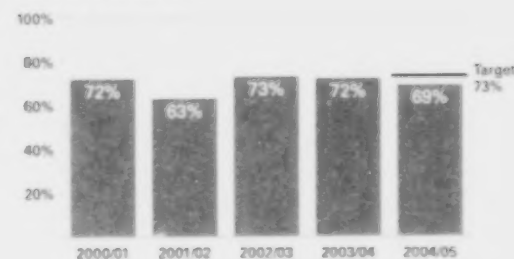
Access to Lifelong Learning

The target for 2004/05 was 73%.

- A significant majority of the public is satisfied that most adults have access to the education or training they want.
- The target was considered met since the result achieved (69%) was within 5% of the target.
- Other information from the annual public surveys provides additional perspectives on Albertans' access to learning opportunities:
 - The proportion of adults reporting participation in education or training has been relatively stable in recent years at about 29%.
 - For those not taking education or training in 2004/05, the reasons cited most often were "lack of time" (by 26% of respondents) and "no need/not required by job" (by 23% of respondents). In recent years, these have ranked consistently as the top two reasons given.

Performance Measure

Public Satisfaction that Adult Albertans have Access to Lifelong Learning



Source: Alberta Advanced Education; Criterion Research Corp. – 2000, 2001; R.A. Malatest & Associates – 2002, 2003; Compustat Consultants Inc. – 2004, 2005

Notes

- This measure reports the weighted average result of questions asked of two components of the public: adult learners (those who reported taking education or training in the last 12 months) and adult Albertans who did not take education or training in the last 12 months.
- The wording of the question asked of adult learners was clarified in the 2002/03 survey. In previous years, adult learners were asked about their satisfaction that "most adults are able to access the education or training they want". Starting in 2002/03, they were asked about their satisfaction that "you are able to access the education or training you want".
- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.

The learning system meets the needs of all learners, society and the economy.

This measure is based on a significant change in methodology, so previous data is not comparable. No target was established.

- A large majority of 2001/02 graduates (79%) surveyed in 2003/04 were satisfied with the overall quality of their post-secondary education.
- Results were strong in each sector as well, ranging from 76% for universities to 91% for private university colleges.
- Only 6% of respondents expressed some level of dissatisfaction with the overall quality of their education, and 15% expressed neither satisfaction nor dissatisfaction.
- 2001/02 graduates of certificate, diploma and degree programs were surveyed two years after graduation as part of the new combined post-secondary graduate satisfaction and employment survey. Previous satisfaction surveys were exit surveys, conducted at the time of graduation, and also included adult learners completing preparatory and basic upgrading programs.

Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Education (new methodology)



Source: Alberta Advanced Education

Notes

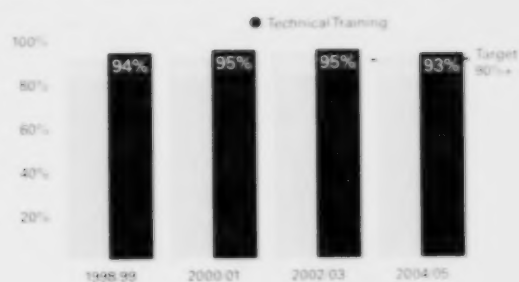
- Includes graduates of postsecondary programs (i.e. certificate, diploma and degree programs).
- The survey was last conducted by R.A. Malatest and Associates in 2003/04 for students who graduated in 2001/02.
- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.

The learning system meets the needs of all learners, society and the economy.

The target for both measures was 90%+. The targets were met.

- Very high percentages of recent apprenticeship graduates continue to be satisfied with the quality of their on-the-job and technical training.
- 2004/05 satisfaction levels for both on-the-job training and technical training experienced a statistically significant decrease. In good economic times, when jobs are plentiful, satisfaction may be affected because of the pressure of work reducing the time available for training.

Satisfaction of Recent Apprenticeship Graduates with On-the-Job Training and Technical Training



Source: Alberta Advanced Education; Nichols Applied Management - 1999, 2003; R.A. Malatest & Associates - 2001; Banister Research Inc. - 2005

Notes

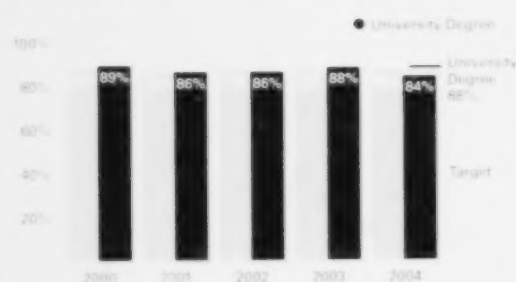
- Graduates of apprenticeship programs in 1997/98, 1999/2000, 2001/02 and 2003/04 (based on the August 1 - July 31 year) were surveyed 6 to 18 months after graduation.
- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.

The learning system meets the needs of all learners, society and the economy.

The targets for 2004/05 were 86% for post-secondary certificate/diploma graduates and 88% for university degree graduates. Targets were met since results are within 5% of the target.

- Employment rates for post-secondary graduates remain high at 86% for certificate and diploma graduates, and 84% for degree graduates.
- Employment rates are consistently higher for post-secondary graduates than for high school graduates. Post-secondary graduates typically have developed more job-related skills than high school graduates.

Employment Rate of Albertans aged 25 to 34



Source: Statistics Canada Labour Force Survey, Special tabulation for Alberta Advanced Education

Notes:

- The post-secondary certificate/diploma category includes apprenticeship graduates.
- See Exhibit B (page 17) for information on the use of confidence intervals to interpret survey results.
- See Exhibit D (page 28) for information on the use of the Labour Force Survey to estimate employment rates.

All Albertans can participate in quality learning.

Access to Learning

The target for 2004/05 was 73%.

- A significant majority of the public is satisfied that most adults have access to the education or training they want.
- The target was considered met since the result achieved (69%) was within 5% of the target.
- Other information from the annual public surveys provides additional perspectives on Albertans' access to learning opportunities.
 - The proportion of adults reporting participation in education or training has been relatively stable in recent years at about 29%.
 - For those not taking education or training in 2004/05, the reasons cited most often were "lack of time" (by 26% of respondents) and "not needed/not required by job" (by 23% of respondents). In recent years, these have ranked consistently as the top two reasons given.

Public Satisfaction that Adult Albertans Have Access to Lifelong Learning



Source: Alberta Advanced Education
 Canadian Council on Learning (2001-2002)
 Adult Education & Development (2002-2003)
 Government of Alberta (2004-2005)

Notes:

- This measure reports the simplified average result of two 2002 surveys of basic competency (20% of the public) and a 2003 survey of satisfaction with respect to taking education or training in the past 12 months and access to learning opportunities in the next 12 months.
- The timing of the question asked of most respondents is reflected in the year it refers to. In previous years, other surveys were asked about their satisfaction with access to learning opportunities in the next 12 months or training they were planning to attend. They were asked about their satisfaction with access to learning in the next 12 months in 2004/05.
- See Exhibit A (page 16) for more information on survey questions for Alberta Advanced Education.

Goal 1

Core Measures

Outcome

All Albertans can participate in quality learning.

Measure

Affordability of the Learning System

The target for 2004/05 was not met.

- Less than half of the public agrees that the learning system is within the means of most Albertans. Agreement levels have declined steadily since 2000/01.
- Of adults who did not take education or training in the past 12 months (two-thirds of those surveyed), only 11% cited cost as the reason.

Performance Measure

Public Agreement that the Learning System is Within the Means of Most Albertans



Source: Alberta Advanced Education:
Criterion Research Corp. – 2000, 2001;
R.A. Malatest & Associates – 2002, 2003;
Compustat Consultants Inc. – 2004, 2005

Notes

- See Endnote A (page 74) for information on surveys conducted for Alberta Advanced Education.

Measure

- Alberta Advanced Education has introduced "Participation in Post-Secondary Education" as a new measure in the next Business Plan, for the period 2005-08. This measure is a better reflection on the outcome related to Albertans participating in quality learning.
- Notwithstanding the decline in percentage of adults agreeing that the learning system is within the means of most Albertans, the actual participation of adults in post-secondary education has been relatively stable in recent years.
- A measure of participation in advanced education by different socio-economic groups is being investigated as a possible replacement for the survey measure based on public perceptions about costs.

Performance Measure

Participation in Post-Secondary Education, Albertans aged 18 to 24



Source: Statistics Canada, Labour Force Survey

Notes

- See Endnote C (page 78) for information on the Statistics Canada Labour Force Survey

Discussion and Analysis of Results

Goal 2

Excellence in Learner Outcomes

Strategies

In support of this goal in 2004/05, Advanced Education adopted the following strategies:

- Improve First Nations, Métis and Inuit learner success.
- Improve completion rates for all learners.
- Improve learning opportunities for Albertans by enhancing transitions to work and further study for learners.
- Enhance accessibility and promote consistent practices of learning programs for all learners.

Key Accomplishments

- Worked with trades' employers, Aboriginal communities and Aboriginal youth to encourage participation in trades-related careers, resulting in over 760 Aboriginal apprentices currently registered in the apprenticeship and industry training system.
- Implement the Youth Apprenticeship Project in five schools in the communities of High Prairie, Lac La Biche, and Wabasca/Desmarais. Over 200 Grade 7 students are participating.
- Administered the Early Leavers Survey to over 5,000 individuals to help identify programs and policies that encourage students to complete their programs of study.
- Funded 83 Community Adult Learning Councils, which provided 4,728 learning opportunities for 57,630 registrants in adult basic literacy, English as a second language, employability enhancement or community issue.
- Awarded \$11.8 million in Performance Envelope funding to 23 post-secondary institutions in recognition of outstanding performance in areas such as graduate employment and satisfaction, increasing accessibility, reducing administration expenditures and generating enterprise revenue.
- Provided approximately \$81 million in loan relief benefits and completion payments to reduce student debt levels.
- Provided over \$23 million in scholarships under the Alberta Heritage Scholarship Fund to over 10,700 students, an increase from the previous year.
- Issued over \$17 million in Achievement Scholarships to over 15,180 Alberta post-secondary students, an increase of over 15% from last year.
- Launched the Alberta Centennial Education Savings Plan, which will make a one-time contribution of \$500 to any Alberta child born in 2005 and beyond whose family has opened a Registered Education Savings Plan (RESP) in that child's name.
- Provided \$13.1 million from the Apprenticeship Access Fund to post-secondary technical training providers to maintain an additional 5,275 apprenticeship technical training spaces in response to industry needs.

Performance Summary

- 57% of Albertans aged 25-34 have completed post-secondary programs.
- 32% of students enter a post-secondary program within 4 years of entering Grade 10.
- 54% of students enter a post-secondary program within 6 years of entering Grade 10.
- 89% of employers are satisfied with the skills and quality of work of all learning system graduates.
- 90% of employers are satisfied with the skills and quality of work of post-secondary graduates.

Goal 2

Core Measures

Outcome

Learners complete programs.

Measure

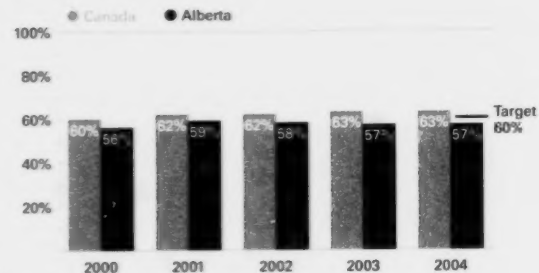
Educational Attainment

The target for post-secondary completion was considered met, since the result was within 5% of the target.

- The post-secondary completion rate of Albertans aged 25-34 has been relatively flat since 2000, and remains below the Canadian average.
- Alberta's 25-34 year olds continue to have the highest employment rate in Canada, suggesting ample employment opportunities for young adults. This may affect post-secondary completion rates as individuals take advantage of Alberta's employment opportunities.
- Research has been initiated to determine reasons for non-completion by students who start, but do not complete post-secondary studies.
- This measure has been expanded to encompass Albertans aged 25 to 64 in Alberta Advanced Education's 2005-08 Business Plan. This broader range is more reflective of the Ministry's focus on lifelong learning. The target in the 2005-08 Business Plan has been established at 57%.

Performance Measure

Educational Attainment of Albertans aged 25 to 34:
Post-Secondary Completion



Source: Statistics Canada, Labour Force Survey, Special tabulation for Alberta Advanced Education

Notes

- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.
- See Endnote E (page 78) for information on the use of the Labour Force Survey to track educational attainment.

Goal 2

Core Measures

Outcome

Learners complete programs.

Measure

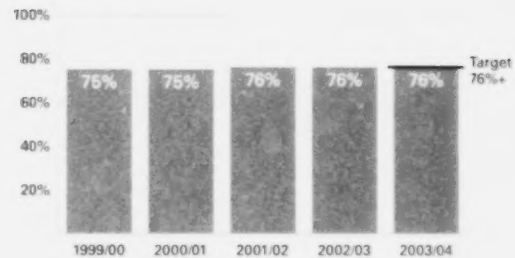
Apprenticeship Completion

The target was met.

- In 2003/04, a majority of apprentices (76%) received their journeyman certificates for completion of an apprenticeship program within two years of expected completion.
- Completion rates have been stable for several years. Three-quarters of apprentices who completed their first period requirements in a trade went on to complete their programs.
- Improving economic conditions in Alberta in the mid-1990s and healthy economic conditions since 2000 may facilitate completions as apprentices have opportunity to work and train. On the other hand, busy times may also extend the time taken by apprentices to complete their programs.
- Apprentices were tracked for two years past the normal program length to determine the completion rate.

Performance Measure

Apprenticeship Completion Rate



Source: Alberta Advanced Education

Notes

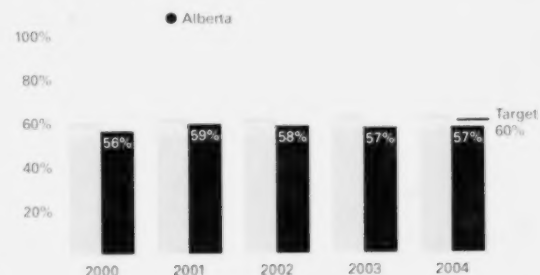
- Includes apprentices who have completed all the requirements of their first period of apprenticeship training. Excludes programs of less than two years in length.
- Based on July 1 to June 30 for all years of data provided.
- See Endnote G, Apprenticeship Completion Rate (page 80).

Learners complete programs.

The target for post-secondary completion was considered met, since the result was within 5% of the target.

- The post-secondary completion rate of Albertans aged 25-34 has been relatively flat since 2000, and remains below the Canadian average.
- Alberta's 25-34 year olds continue to have the highest employment rate in Canada, suggesting ample employment opportunities for young adults. This may affect post-secondary completion rates as individuals take advantage of Alberta's employment opportunities.
- Research has been initiated to determine reasons for non-completion by students who start, but do not complete post-secondary studies.
- This measure has been expanded to encompass Albertans aged 25 to 64 in Alberta Advanced Education's 2005-08 Business Plan. This broader range is more reflective of the Ministry's focus on lifelong learning. The target in the 2005-08 Business Plan has been established at 57%.

Educational Attainment of Albertans aged 25 to 34:
Post-Secondary Completion



Source: Statistics Canada, Labour Force Survey, Special tabulation for Alberta Advanced Education

Notes

- See Endnote B (page 77) for information on the use of confidence intervals to interpret survey results.
- See Endnote E (page 78) for information on the use of the Labour Force Survey to track educational attainment.

Learners complete programs.

The target was met.

- In 2003/04, a majority of apprentices (76%) received their journeyman certificates for completion of an apprenticeship program within two years of expected completion.
- Completion rates have been stable for several years. Three-quarters of apprentices who completed their first period requirements in a trade went on to complete their programs.
- Improving economic conditions in Alberta in the mid-1990s and healthy economic conditions since 2000 may facilitate completions as apprentices have opportunity to work and train. On the other hand, busy times may also extend the time taken by apprentices to complete their programs.
- Apprentices were tracked for two years past the normal program length to determine the completion rate.

Apprenticeship Completion Rate



Source: Alberta Advanced Education

Notes

- Includes apprentices who have completed all the requirements of their first period of apprenticeship training. Excludes programs of less than two years in length.
- Based on July 1 to June 30 for all years of data provided.
- See Endnote G, Apprenticeship Completion Rate (page 80).

Goal 2

Core Measures

Outcome

Learners complete programs.

Measure

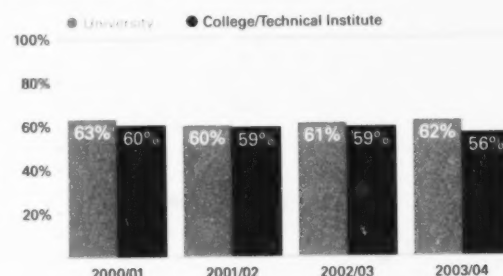
Post-Secondary Institution Completion Rate

The measure of system-wide completion is based on an interim methodology. For this reason no target completion rate was established.

- The post-secondary completion rate aggregates the institutional completion rates for universities and for colleges and technical institutes. To determine completion, post-secondary students were tracked for three years beyond the length of the program at the institution where they began as first-year students.
- With this interim methodology, system-wide completion rates may be under-represented because information is not available to account for the completion of students who start at one post-secondary institution then complete at another one.
- Alberta Advanced Education is currently implementing the Alberta Student Number (ASN) for all post-secondary students. This will allow for a more accurate calculation of completion rates in the advanced education system, including the tracking of transfer students.
- The university sector completion rate has been increasing gradually since 2001/02.
- The colleges and technical institutes completion rate dropped in 2003/04, continuing the slight downward trend. This may reflect Alberta's strong economy, which may entice some students to transfer to another institution to gain marketable skills more quickly or to enter the labour force before completing their credential.

Performance Measure

Post-Secondary Institution Completion Rate – Interim Measure



Source: Alberta Advanced Education

Notes

- Alberta College of Art & Design's programs are included in the University Sector as these programs are four-year undergraduate degree programs.
- The university sector completion rate is based on undergraduate programs tracked for seven years; therefore the 2000/01 rate is based on the 1994/95 entry cohort, the 2001/02 rate is based on the 1995/96 entry cohort, the 2002/03 rate is based on the 1996/97 entry cohort and the 2003/04 rate is based on the 1997/98 entry cohort.
- The completion rates for the college and technical institute sectors is based on tracking first-time students for the program length plus three years, i.e. tracking for four years for a certificate program and five years for a diploma program.
- See Endnote F, Post-Secondary Completion Rate (page 79).

Goal 2

Core Measures

Outcome

Learners are well prepared for lifelong learning.

Measure

Transition to Post-Secondary

New measure under development in 2004/05 – no target set.

- The high school to post-secondary transition rate measure reports the proportion of students who enter a post-secondary program within four and six years of entering Grade 10.
- The percentage of Alberta's high school students who have entered a post-secondary program has risen slightly over time.
- The results show that a substantial proportion of Alberta's young people delay their entry to post-secondary programs after high school, as about one-third are attending a post-secondary program four years after starting Grade 10 while more than half are attending two years later.
- The strength of Alberta's economy and the subsequent high employment demand may encourage Alberta's young people to enter the workforce immediately upon graduation from high school. After a number of years on the job, they may return to further learning as a means to upgrade their skills or to initiate a new career.

Performance Measure

High School to Post-Secondary Transition Rate



Source: Alberta Education

Notes

- Students are considered to be attending post-secondary if they are enrolled in a public or private institution in Alberta or registered in an apprenticeship program in Alberta. Adjustments for attrition and attending post-secondary out of province are based on estimates.
- See Endnote H, High School to Post-Secondary Transition Rate (page 80).

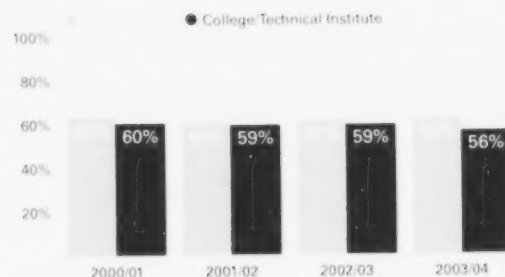
Learners complete programs.

Post-Secondary Institution Completion Rate

The measure of system-wide completion is based on an interim methodology. For this reason no target completion rate was established.

- The post-secondary completion rate aggregates the institutional completion rates for universities and for colleges and technical institutes. To determine completion, post-secondary students were tracked for three years beyond the length of the program at the institution where they began as first-year students.
- With this interim methodology, system-wide completion rates may be under-represented because information is not available to account for the completion of students who start at one post-secondary institution then complete at another one.
- Alberta Advanced Education is currently implementing the Alberta Student Number (ASN) for all post-secondary students. This will allow for a more accurate calculation of completion rates in the advanced education system, including the tracking of transfer students.
- The university sector completion rate has been increasing gradually since 2001/02.
- The colleges and technical institutes completion rate dropped in 2003/04, continuing the slight downward trend. This may reflect Alberta's strong economy, which may entice some students to transfer to another institution to gain marketable skills more quickly or to enter the labour force before completing their credential.

Post-Secondary Institution Completion Rate – Interim Measure



Source: Alberta Advanced Education

Notes

- Alberta College of Art & Design's programs are included in the University Sector as these programs are four-year undergraduate degree programs.
- The university sector completion rate is based on undergraduate programs tracked for seven years; therefore the 2000/01 rate is based on the 1994/95 entry cohort, the 2001/02 rate is based on the 1995/96 entry cohort, the 2002/03 rate is based on the 1996/97 entry cohort and the 2003/04 rate is based on the 1997/98 entry cohort.
- The completion rates for the college and technical institute sectors is based on tracking first-time students for the program length plus three years, i.e. tracking for four years for a certificate program and five years for a diploma program.
- See Endnote F, Post-Secondary Completion Rate (page 79).

Learners are well prepared for lifelong learning.

New measure under development in 2004/05 – no target set.

- The high school to post-secondary transition rate measure reports the proportion of students who enter a post-secondary program within four and six years of entering Grade 10.
- The percentage of Alberta's high school students who have entered a post-secondary program has risen slightly over time.
- The results show that a substantial proportion of Alberta's young people delay their entry to post-secondary programs after high school, as about one-third are attending a post-secondary program four years after starting Grade 10 while more than half are attending two years later.
- The strength of Alberta's economy and the subsequent high employment demand may encourage Alberta's young people to enter the workforce immediately upon graduation from high school. After a number of years on the job, they may return to further learning as a means to upgrade their skills or to initiate a new career.

High School to Post-Secondary Transition Rate



Source: Alberta Education

Notes

- Students are considered to be attending post-secondary if they are enrolled in a public or private institution in Alberta or registered in an apprenticeship program in Alberta. Adjustments for attrition and attending post-secondary out of province are based on estimates.
- See Endnote H, High School to Post-Secondary Transition Rate (page 80).

Goal 2

Core Measures

Outcome

Learners are well prepared for employment.

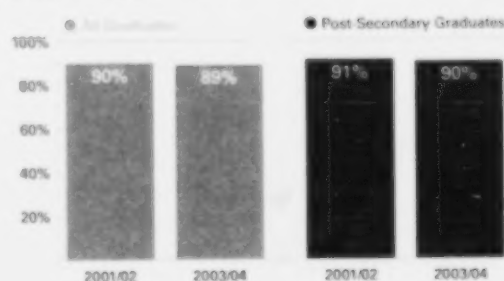
Measure

Preparation for Employment

- Employees are asked about their level of satisfaction with high school and post-secondary graduates. The levels of satisfaction for all graduates (inclusive of high school graduates) have been consistently high. When post-secondary graduates are considered alone, satisfaction levels are slightly higher.
- Alberta Advanced Education is co-leading the *Leading in Learning and Skilled Workforce Initiative* to address the increased demand for skilled labour in light of sustained economic growth in Alberta. The department has also adopted strategies to encourage increased industry participation and investment in the apprenticeship and industry training system and to ensure the apprenticeship and industry training system is responsive to the needs of industry.
- The new *Post-secondary Learning Act* now recognizes colleges' and technical institutions' role in applied research, which provides another avenue to increase skill levels of all graduates.

Performance Measure

Employer Satisfaction with the Skills and Quality of Work of Learning System Graduates



Source: Alberta Education and Advanced Education Survey

Notes

- The Employer Satisfaction Survey is conducted biennially. In 2001/02 and 2003/04 it was conducted by the Environics Research Group.
- The last survey was conducted in 2003/04, so no new data is available for 2004/05.
- All graduates includes High School graduates as well as post-secondary graduates.
- See Endnote A (page 74) for information on Advanced Education surveys.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret results over time.

Goal 2

Core Measures

Outcome

Learners are well prepared for citizenship.

Measure

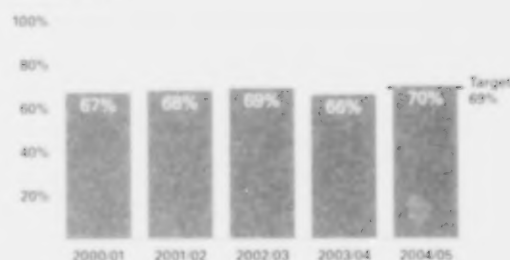
Preparation for Citizenship

The target was met.

- Public satisfaction that adult learners are well prepared for citizenship is high (70%). The satisfaction rate has been relatively stable over time.

Performance Measure

Public Satisfaction that Learners are Well Prepared for Citizenship



Source: Alberta Advanced Education;
 Criterion Research Corp. – 2000, 2001;
 R.A. Malatest & Associates – 2002, 2003;
 Compustat Consultants Inc. – 2004, 2005.

Notes

- The questions were clarified in the 2001/02 survey as a result of field testing. The new question asked how satisfied they are that adults taking education or training are well prepared for citizenship. In prior years, the public was asked to indicate if they agreed that adult learners are getting an appropriate combination of skills and knowledge to prepare them for the rights and responsibilities of citizenship.
- See Endnote A (page 74) for other information on surveys conducted for Alberta Advanced Education.
- "Public satisfaction that learners are well prepared for citizenship" will not appear as a measure of preparation for citizenship in Alberta Advanced Education's business plan for 2005-08.

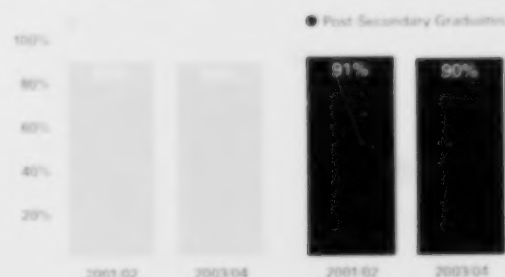
Learners are well prepared for employment.

Preparation for Employment

- Employees are asked about their level of satisfaction with high school and post-secondary graduates. The levels of satisfaction for all graduates (inclusive of high school graduates) have been consistently high. When post-secondary graduates are considered alone, satisfaction levels are slightly higher.
- Alberta Advanced Education is co-leading the *Leading in Learning and Skilled Workforce Initiative* to address the increased demand for skilled labour in light of sustained economic growth in Alberta. The department has also adopted strategies to encourage increased industry participation and investment in the apprenticeship and industry training system and to ensure the apprenticeship and industry training system is responsive to the needs of industry.
- The new *Post-secondary Learning Act* now recognizes colleges' and technical institutions' role in applied research, which provides another avenue to increase skill levels of all graduates.

Performance Indicators

Employer Satisfaction with the Skills and Quality of Work of Learning System Graduates



Source: Alberta Education and Advanced Education Survey

Notes

- The Employer Satisfaction Survey is conducted biennially. In 2001-02 and 2003-04 it was conducted by the Environments Research Group.
- The last survey was conducted in 2003-04, so no new data is available for 2004-05.
- All graduates includes High School graduates as well as post-secondary graduates.
- See Endnote A (page 74) for information on Advanced Education surveys.
- See Endnote B (page 77) for information on the use of confidence intervals to interpret results over time.

Learners are well prepared for citizenship.

The target was met.

- Public satisfaction that adult learners are well prepared for citizenship is high (70%). The satisfaction rate has been relatively stable over time.

Public Satisfaction that Learners are Well Prepared for Citizenship



Source: Alberta Advanced Education;
Criterium Research Corp. - 2000, 2001;
R.A. Moloney & Associates - 2002, 2003;
Compuquest Consultants Inc. - 2004, 2005.

Notes

- The questions were clarified in the 2003/03 survey as a result of field testing. The new question asked how satisfied they are that adults taking education or training are well prepared for citizenship. In prior years, the public was asked to indicate if they agreed that adult learners are given an appropriate combination of skills and knowledge to prepare them for the rights and responsibilities of citizenship.
- See Exhibit A (page 14) for other information on surveys conducted for Alberta Advanced Education.
- "Public satisfaction that learners are well prepared for citizenship" will not appear as a measure of preparation for citizenship in Alberta Advanced Education's business plan for 2005-06.

Goal 3

Discussion and Analysis of Results

Highly Responsive and Responsible Ministry

Strategies

In support of this goal in 2004/05, Advanced Education adopted the following strategies:

- Work collaboratively with partners and stakeholders for the learning system.
- Promote financial sustainability of the learning system.
- Provide Albertans with timely, accurate, and relevant information about the learning system.
- Develop long-term human resource capacity for the Department.

Key Accomplishments

- In collaboration with the federal government and the Council of Ministers of Education, Canada (CMEC), launched the Pan-Canadian Designation Policy Framework, which establishes minimum pan-Canadian criteria with respect to management of student financial assistance by designated educational institutions.
- Handled over 159,000 inquiries from clients and delivery partners through the Student Funding Contact Centre in collaboration with Alberta Human Resources and Employment, providing information about financial assistance programs for further education and training.
- Increased general operating and conditional grants to post-secondary institutions by \$102 million.
- Promoted increased hiring of apprentices by employers, resulting in over 11,600 employers currently training apprentices.
- Processed over 138,000 applications for student loans, scholarships, bursaries and loan relief payments from over 91,800 applicants.
- Accommodated an increase in the number of visitors to the Students Finance and Scholarships & Bursaries sections of the Alberta Learning Information Service (ALIS) website by approximately 18% and 21% respectively.

Performance Summary

- 98% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are collaborative.
- 82% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are responsive and flexible.

Goal 3

Core Measures

Outcome

Improved results through effective working relationships on Cross-Ministry Initiatives and with stakeholders.

Measure

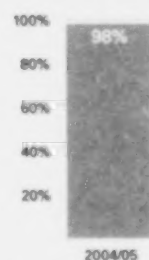
Collaborative Working Relationships

New methodology – no target.

- In 2004/05, 98% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are collaborative.

Performance Measure

Cross-Ministry Partners and Learning System Stakeholders who Agree that Alberta Advanced Education Staff are Collaborative



Source: Alberta Advanced Education:
Hargroup Management Consultants Inc. – 2005

Notes

- In previous years, the survey results were for Alberta Learning, which included Education stakeholders and partners, as well as those of Advanced Education. Because of the split of Alberta Learning into two ministries in 2004/05, the previous results cannot be used for comparison purposes.
- See Endnote A (page 74) for information on Advanced Education surveys.

Outcome

The Ministry demonstrates leadership and continuous improvement.

Measure

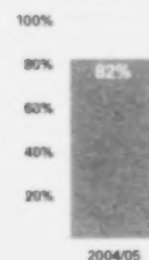
Responsive and Flexible

New methodology – no target.

- In 2004/05, 82% of the Ministry's partners and stakeholders agreed that Alberta Advanced Education staff are responsive and flexible.

Performance Measure

Cross-Ministry Partners and Learning System Stakeholders who Agree that Alberta Advanced Education Staff are Responsive and Flexible



Source: Alberta Advanced Education:
Hargroup Management Consultants Inc. – 2005

Notes

- In previous years, the survey results were for Alberta Learning, which included Education stakeholders and partners, as well as those of Advanced Education. Because of the split of Alberta Learning into two ministries in 2004/05, the previous results cannot be used for comparison purposes.
- See Endnote A (page 74) for information on Advanced Education surveys.

Financial Information

*Audited
Information*

*Ministry of Advanced Education
Financial Statements
March 31, 2005*

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Revenues

Schedule 2 Dedicated Revenue Initiatives

Schedule 3 Expenses – Directly Incurred by Object

Schedule 4 Budget

Schedule 5 Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

Schedule 6 Funding Provided to Post-Secondary Institutions

Schedule 7 Statement of Alberta Heritage Scholarship Fund Expenses

Schedule 8 Tangible Capital Asset Purchases

Schedule 9 Salary and Benefits Disclosure

Schedule 10 Related Party Transactions

Schedule 11 Allocated Costs

Auditor's Report**Auditor's Report**

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Advanced Education as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

As disclosed in Note 2, the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. PSAB has recently revised the definition of the Government reporting entity for implementation for years commencing on or after April 1, 2005. If all organizations referred to in Note 2(a) had been included in the accompanying financial statements, I estimate that assets and liabilities would increase by approximately \$5.4 billion and \$1.3 billion respectively as at March 31, 2005. This estimate is based on information from their most recent audited financial statements.

FCA
Auditor General

Edmonton, Alberta
May 20, 2005

Advanced
Education**Statement of Operations
for the Year Ended March 31, 2005**

(in thousands)	2005		2004
	Budget (Schedule 4)	Actual	Actual (Restated: See Note 3)
Revenues (Schedule 1)			
Internal Government Transfers	\$ 43,245	\$ 43,669	\$ 42,925
Transfers from Government of Canada	243,626	216,985	226,142
Premiums, Fees and Licences	3,044	3,512	2,871
Other Revenue	5,157	7,307	4,712
	<u>295,072</u>	<u>271,473</u>	<u>276,650</u>
Expenses - Directly Incurred (Schedule 3)			
Assistance to Post-Secondary Institutions	1,222,179	1,230,939	1,173,737
Support to Post-Secondary Learners	105,850	105,358	98,163
Provision for Future Cost of Student Loans Issued	59,800	49,439	14,418
Alberta Centennial Education Savings Plan	4,300	—	—
Total Adult Learning Support	<u>1,392,129</u>	<u>1,385,736</u>	<u>1,286,318</u>
Apprenticeship Delivery and Industry Training	17,992	20,735	16,206
Ministry Support Services	10,187	8,787	8,259
Program Delivery Support	36,103	34,069	31,656
Total Ministry and Program Delivery Support	<u>64,282</u>	<u>63,591</u>	<u>56,121</u>
Ministry Expense	<u>1,456,411</u>	<u>1,449,327</u>	<u>1,342,439</u>
Ministry Net Operating Results	<u>\$ (1,161,339)</u>	<u>\$ (1,177,854)</u>	<u>\$ (1,065,789)</u>

The accompanying notes and schedules are part of these financial statements.

Advanced
Education**Statement of Financial Position
March 31, 2005**

(in thousands)	2005		2004
			(Restated: See Note 3)
Assets			
Cash	\$ 2,653	\$ 2,291	
Accounts Receivable (Note 4)	10,984	7,545	
Loans Receivable (Note 5)	126,300	110,292	
Tangible Capital Assets (Note 6)	16,078	12,055	
	<u>\$ 156,015</u>	<u>\$ 132,183</u>	
Liabilities			
Accounts Payable and Accrued Liabilities (Note 7)	\$ 60,266	\$ 56,156	
Liability for Student Loans Issued (Note 8)	14,364	26,697	
	<u>74,630</u>	<u>82,853</u>	
Net Assets/Net Liabilities			
Net Assets/Net Liabilities at Beginning of Year	49,330	(95,738)	
Net Operating Results	(1,177,854)	(1,065,789)	
Net Transfer from General Revenues	1,209,909	1,210,857	
Net Assets at End of Year	<u>81,385</u>	<u>49,330</u>	
	<u>\$ 156,015</u>	<u>\$ 132,183</u>	

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows
for the Year Ended March 31, 2005

	(in thousands)	2005	2004
			(Restated: See Note 3)
Operating Transactions			
Net Operating Results		\$ (1,177,854)	\$ (1,065,789)
Non-cash items included in Net Operating Results			
Amortization		897	820
Valuation Adjustments			
Provision for Future Cost of Student Loans Issued		49,439	14,418
Provision for Vacation Pay		208	95
		(1,127,310)	(1,050,456)
Net Change in Liability for Student Loans Issued		(6,212)	(27,559)
(Increase) Decrease in Accounts Receivable		(3,439)	(2,755)
Increase (Decrease) in Accounts Payable and Accrued Liabilities		3,902	(46,611)
Cash Applied to Operating Transactions		(1,133,059)	(1,127,381)
Capital Transactions			
Acquisition of Tangible Capital Assets (Schedule 8)		(4,920)	(6,263)
Investing Transactions			
Net Change in Loans Receivable		(71,568)	(77,727)
Financing Transactions			
Net Transfer from General Revenues		1,209,909	1,210,857
Increase (Decrease) in Cash		362	(514)
Cash, Beginning of Year		2,291	2,805
Cash, End of Year		\$ 2,653	\$ 2,291

The accompanying notes and schedules are part of these financial statements.

Note 1

Authority and Purpose

The Ministry of Advanced Education has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000 and its regulations. In support of Alberta's vision, Advanced Education's purpose is for Alberta to be a learning society where all Albertans have access to the opportunity to develop the learning, work and life skills they need to achieve their aspirations and maximize their potential to the benefit of themselves and Alberta.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Advanced Education, for which the Minister of Advanced Education is accountable. The Ministry provides funding to universities, technical institutes, public colleges and the Banff Centre. Details on balances and transactions with these entities are disclosed in Schedules 3 and 6. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

The Public Sector Accounting Board has released guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Province reports accountable organizations such as the Public Post-secondary Institutions depending on the results of the current review being conducted to determine whether control exists. The government has agreed in principle to include the financial statements of these entities commencing from fiscal year beginning April 1, 2006 if it is determined that control exists.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting**Revenues**

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue and included in accounts payable.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

*Expenses**Directly Incurred*

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay and student loans.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 10.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments and the allowance for impaired loans.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000 (2004 – \$15,000). All land is capitalized.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end. They include the Ministry's obligations for future payments under the Student Financial Assistance Act for guarantees, remissions, risk premiums and interest.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is significant variance between the amount recognized in the financial statements and another reasonably possible amount. The liability for student loans issued amounting to \$14,364,000 (2004 – \$26,697,000), the allowance for loan relief completion payments amounting to \$72,776,000 (2004 – \$62,260,000) and the allowance for impaired loans amounting to \$25,511,000 (2004 – \$23,548,000) are subject to measurement uncertainty.

The Ministry has made certain assumptions in the determination of the liability for student loans, such as future interest, recovery and default rates. In determining the allowance for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies. The Ministry has made certain assumptions with respect to the recovery and default rates in the determination of the allowance for impaired loans. Changes in these assumptions could materially impact the liability for student loans issued, the allowance for loan relief completion payments and the allowance for impaired loans.

Note 8 discloses information on the liability for student loans issued.

Note 3

Reorganization

The Ministry of Advanced Education was established as a result of restructuring of government ministries announced on November 24, 2004 and other transfer of responsibilities to and from other departments. Comparatives for 2004 have been restated as if the Ministry had always been assigned with its current responsibilities. Net liabilities on March 31, 2003 is made up as follows:

<i>(in thousands)</i>	
Transferred from Ministry of Learning	\$ 96,540
Transferred to Human Resources and Employment	(802)
Net liabilities at March 31, 2003	<u>\$ 95,738</u>

Note 4

Accounts Receivable

<i>(in thousands)</i>	2005	2004
		(Restated: See Note 3)
Government of Canada	\$ 9,468	\$ 6,440
Accrued Interest Receivable on Loans	767	548
Other	749	557
	<u>\$ 10,984</u>	<u>\$ 7,545</u>

Accounts receivable are unsecured and reported at their net realizable value.

Note 5

Loans Receivable

<i>(in thousands)</i>	2005	2004
Loans Receivable	\$ 224,587	\$ 196,100
Less		
Allowance for Impaired Loans	(25,511)	(23,548)
Allowance for Loan Relief		
Completion Payments	(72,776)	(62,260)
	<u>\$ 126,300</u>	<u>\$ 110,292</u>

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students at interest rates prescribed by the Minister of Advanced Education.

Loans receivable are stated at cost net of the allowance for loan relief completion payments and the allowance for impaired loans. Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or

- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default rates and recovery rates in conjunction with changing economic circumstances.

Loans receivable become payable and interest is earned when students discontinue their studies or graduate. Loans receivable bear interest at either a fixed rate of prime plus 5% or floating rate based on prime plus 2.5% and are repayable to a maximum term of 114 months. When loans receivable are classified as impaired, interest ceases to accrue. Loans receivable are unsecured.

Note 6

Tangible Capital Assets

(in thousands)	Estimated Useful Life	Cost	2005		2004	
			Accumulated Amortization	Net Book Value	Net Book Value	(Restated: See Note 3)
Equipment (a)	3-10 years	\$ 26	\$ 10	\$ 16	\$ 19	
Computer Hardware and Software	5 years	20,383	4,321	16,062	12,036	
		<u>\$ 20,409</u>	<u>\$ 4,331</u>	<u>\$ 16,078</u>	<u>\$ 12,055</u>	

(a) Equipment includes office equipment and furniture.

Note 7

Accounts Payable and Accrued Liabilities

(in thousands)	2005	2004
		(Restated: See Note 3)
Accounts Payable	\$ 15,795	\$ 6,856
Accrued Liabilities		
Vacation	2,904	2,679
Other	23,156	12,260
University of Calgary	—	30,700
Advances from Government of Canada	17,849	2,972
Unearned Revenue	562	689
	<u>\$ 60,266</u>	<u>\$ 56,156</u>

Note 8

Liability for Student Loans Issued

(in thousands)	2005	2004
Loan Relief Completion Payments (a)	\$ 3,223	\$ 10,597
Interest (b)	6,035	7,239
Guarantees (net of estimated recoveries) (c)	3,899	7,061
Risk Premium (d)	1,207	1,800
	<u>\$ 14,364</u>	<u>\$ 26,697</u>

Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students.

As at March 31, 2005, the outstanding Alberta Student Loans issued by the financial institutions to Alberta students amounted to \$186 million (2004 – \$235 million). The government fully guarantees \$30 million (2004 – \$41 million) of these outstanding loans. The authorized guarantee limit set by Order in Council for loans issued under the *Student Financial Assistance Act* is \$400 million.

These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium. This liability was recognized in the year the financial institutions issued the loans and is re-evaluated each year to reflect changes in assumptions or new information.

- (a) Loan relief completion payments are payable on Alberta Student Loans when a student's combined indebtedness of Canada and Alberta Student Loans exceeds established debt limits. In determining the liability for loan relief completion payments, assumptions were made regarding the percentage of students exceeding their maximum debt limit upon completion of their studies.
- (b) Interest is paid at a variable rate based on prime for Alberta Student Loans while the students are in school. Interest relief is provided to students who have completed their studies and who meet certain requirements whereby the government pays all or a portion of the interest on the Alberta Student Loan. Changes in assumptions regarding future interest rates will impact the liability for interest.
- (c) The liability for guarantees is an estimate of the amount of guaranteed Alberta Student Loans which will go into default, less the amount that will subsequently be recovered from students. The key assumptions used to determine this liability are the default and recovery rates.
- (d) A risk premium of either 5% or 8% on Alberta Student Loans is paid to the respective financial institutions six months after students complete their studies. This premium eliminates the need for the government to provide further loan guarantees on most student loans outstanding.

In the prior year, students completing their studies prior to August 2001 did not apply for approximately \$35 million in loan relief completion payments and the Ministry adjusted the provision for future cost of student loans issued accordingly.

(in thousands)	2005		2004
	Budget	Actual	Actual
Current Year Provision for Student Loans	\$ 59,800	\$ 49,439	\$ 49,418
Adjustment for Expired Loan Relief Entitlement	—	—	(35,000)
Provision for Future Cost of Student Loans Issued	\$ 59,800	\$ 49,439	\$ 14,418

Note 9

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments. The fair values of loans receivable and liability for student loans issued are not reported due to there being no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Note 10 Contractual Obligations

	(in thousands)	2005	2004
			(Restated: See Note 3)
Grants	\$	6,600	\$ 1,647
EDP Development		43	51
Service Contracts		25,058	18,305
	\$	31,701	\$ 20,003

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	(in thousands)	Grants	EDP Development	Service Contracts	Total
2006	\$	2,127	\$ 43	\$ 12,312	\$ 14,482
2007		1,311	—	11,303	12,614
2008		2,542	—	1,443	3,985
2009		620	—	—	620
2010		—	—	—	—
Thereafter		—	—	—	—
	\$	6,600	\$ 43	\$ 25,058	\$ 31,701

In addition, the Ministry has approved \$2,856 (2004 – \$3,357) of loans to students which have not been cashed by students as of March 31, 2005. These obligations expire in 2006.

Note 11 Contingent Liabilities

(in thousands)

At March 31, 2005, the Ministry of Advanced Education is a defendant in two legal claims (2004 – two legal claims). Both of these claims have specified amounts totaling \$1,350 (2004 – two claims with specified amounts totaling \$1,350). The one claim amounting to \$150 (2004 – one claim amounting to \$150) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 12 Trust Funds under Administration

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

At March 31, 2005, trust funds under administration were as follows:

	(in thousands)	2005 Total Assets	2005 Total Liabilities	2004 Net Assets (Net Liabilities)	2004 Net Assets (Net Liabilities)
					(Restated: See Note 3)
Advanced Education General Trust	\$	53	\$ 53	\$ —	\$ —
Advanced Education Endowment Fund		18	—	18	17
Mildred Rowe Weston Estate Trust		71	—	71	74
	\$	142	\$ 53	\$ 89	\$ 91

Note 13

Payments under Agreement

The Ministry has entered into several agreements to deliver programs on behalf of third parties, which include the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable includes \$8,468,000 (2004 – \$5,422,000) and accounts payable and accrued liabilities includes \$4,281,000 (2004 – \$2,957,000) relating to payments under agreement.

Amounts paid under agreements on behalf of third parties are as follows:

	(in thousands)	2005	2004
			(Restated: See Note 3)
Canadian Millennium Scholarship Foundation			
Canadian Millennium Scholarships	\$	28,077	\$ 27,819
Government of Canada			
Canada Study Grants		10,112	9,788
French Minority Language Education and French Second Language Instruction		2,339	2,237
	\$	40,528	\$ 39,844

Note 14

Defined Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,197 for the year ended March 31, 2005 (2004 – \$1,971).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of \$268,101 (2003 – deficiency of \$290,014) and the Public Service Pension Plan reported a deficiency of \$450,068 (2003 – \$584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of \$9,404 (2003 – \$9,312).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of \$11,817 (2004 – \$9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$3,208 (2004 – \$1,298). The expense for these two plans is limited to employer's annual contributions for the year.

Note 15

Change of Canada Social Transfers Revenue Allocation

The Ministry of Finance changed its Canada Social Transfer Revenue allocation methodology among ministries during the year. Comparatives have been restated to conform with the new allocation methodology.

Note 16

Comparative Figures

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

Note 17

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Advanced
Education**Schedules to the Financial Statements
for the Year Ended March 31, 2005**

Schedule 1

Revenues

(in thousands)	2005		2004
	Budget	Actual	Actual (Restated See Note 3)
Internal Government Transfers			
Lottery Fund	\$ 20,700	\$ 20,700	\$ 20,700
Alberta Heritage Scholarship Fund	22,545	22,969	22,225
	43,245	43,669	42,925
Transfers from the Government of Canada			
Canada Social Transfers (Note 15)	242,332	215,651	224,779
Canada Student Loans Administration	1,044	1,084	1,078
Other	250	250	285
	243,626	216,985	226,142
Premiums, Fees and Licences			
Marketing Apprenticeship	2,537	3,045	2,511
International Qualifications Assessment Service	298	209	205
Trade School Licence Fee	160	230	92
Other	49	28	63
	3,044	3,512	2,871
Other Revenue			
Investment Income	5,131	4,495	3,208
Refunds of Expenditure	—	2,669	1,394
Miscellaneous	26	143	110
	5,157	7,307	4,712
Total Revenues	\$ 295,072	\$ 271,473	\$ 276,650

Schedule 2

Dedicated Revenue Initiatives

(in thousands)	2005		Excess (Shortfall)
	Authorized Dedicated Revenues	Actual Dedicated Revenues	
Support for Adult Learning			
Marketing Apprenticeship (a)	\$ 3,042	\$ 3,045	\$ 3
Support to Adult Learners			
Program Delivery Support (b)	1,294	1,334	40
	\$ 4,336	\$ 4,379	\$ 43

The revenue of each dedicated revenue initiative is included in the Ministry's revenue.

- (a) Marketing Apprenticeship dedicated revenues are fees to offset the costs of marketing programs and services including training, promotion, and certification, and to offset the costs associated with the delivery of certain services including the Prior Learning Assessments, Qualification Certificate Program, and the Equivalency Program.
- (b) The dedicated revenues for program delivery support under Support to Adult Learners are amounts received from the Government of Canada and the Canadian Millennium Scholarship Foundation (CMSF) to administer the Canada Student Loans, Grants and the Canadian Millennium Scholarship Foundation bursary program.

Schedule 3

Expenses – Directly Incurred by Object

(in thousands)	2005		2004
	Budget	Actual	Actual
(Restated: See Note 3)			
Grants			
Public Post-Secondary Institutions (Schedule 6)	\$ 1,190,259	\$ 1,217,950	\$ 1,159,177
Private Post-Secondary Institutions (Schedule 6)	9,085	11,540	14,526
Learners	99,245	95,578	88,595
Provision for Future Cost of Student Loans Issued	59,800	49,439	14,418
Other	27,069	14,369	12,135
	1,385,458	1,388,876	1,288,851
Salaries, Wages and Employee Benefits	28,226	29,213	27,077
Supplies and Services	38,593	32,115	27,534
Amortization of Tangible Capital Assets	4,070	897	819
Valuation Adjustments	5	208	95
Other	59	63	43
	1,456,411	1,451,372	1,344,419
Less:			
Recoveries from Support Service Arrangements with Related Parties (a)	—	(2,045)	(1,980)
	\$ 1,456,411	\$ 1,449,327	\$ 1,342,439

(a) The Ministry provides information technology support services to the Ministry of Human Resources and Employment \$2,045 (2004 – \$1,980). Costs for these services are recovered from that Ministry.

		2005	
	Budget	Authorized Supplementary (a)	Authorized Budget
(in thousands)			
Revenues			
Internal Government Transfers	\$ 43,245	\$ —	\$ 43,245
Transfers from Government of Canada (Note 15)	243,626	—	243,626
Premiums, Fees and Licences	3,044	505	3,549
Other Revenue	5,157	—	5,157
	295,072	505	295,577
Expenses – Directly Incurred			
Assistance to Post-Secondary Institutions	1,222,179	8,977	1,231,156
Support to Post-Secondary Learners	105,850	5,855	111,705
Provision for Future Cost of Student Loans Issued	59,800	(15,000)	44,800
Alberta Centennial Education Savings Plan	4,300	—	4,300
Total Adult Learning Support	1,392,129	(168)	1,391,961
Apprenticeship Delivery and Industry Training	17,992	3,379	21,371
Ministry Support Services	10,187	183	10,370
Program Delivery Support	36,103	—	36,103
Total Ministry and Program Delivery Support	64,282	3,562	67,844
Ministry Expense	1,456,411	3,394	1,459,805
Gain (Loss) on Disposal of Tangible Capital Assets	—	—	—
Ministry Net Operating Results	\$ (1,161,339)	\$ (2,889)	\$ (1,164,228)
Capital Investment	\$ 4,347	\$ 1,662	\$ 6,009
Non-Budgetary Disbursements	\$ 141,500	\$ —	\$ 141,500

(a) Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).

Schedule 5

Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

(in thousands)		2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
Voted Operating Expenses and Equipment/ Inventory Purchases						
Ministry Support Services						
1.1	Ministry Support Services					
1.0.1	Minister's Office	\$ 191	\$ 51	\$ 242	\$ 323	\$ (81)
1.0.2	Minister's Committees	212	36	248	153	95
1.0.3	Deputy Minister's Office	271	—	271	337	(66)
1.0.4	Finance and Administrative Services	2,933	42	2,975	2,034	941
1.0.5	Human Resource Services	1,180	9	1,189	1,280	(91)
1.0.6	Legislative Services and Freedom of Information	204	—	204	225	(21)
1.0.7	Information and Strategic Services					
	Operating Expense	2,898	45	2,943	2,970	(27)
	Capital Investment	917	—	917	7	910
1.0.8	Administrative Systems Support	1,434	—	1,434	634	800
1.0.9	Communications	295	—	295	286	9
1.0.10	Amortization of Capital Assets	459	—	459	428	31
1.0.11	Standing Policy Committee on Learning and Employment	110	—	110	117	(7)
Total Ministry Support Services		11,104	183	11,287	8,794	2,493
Support for Basic Learning						
2.1	Program Delivery					
2.1.1	Program Delivery Support	4,058	—	4,058	1,878	2,180
	Basic Capital	—	—	—	—	—
	Total Sub-Program	4,058	—	4,058	1,878	2,180
2.2	Public and Separate School Support					
2.2.1	Operating Support for Basic Education	125	—	125	125	—
	Total Sub-Program	125	—	125	125	—
2.4	Provincial Initiatives					
2.4.3	High Speed Networking	1,800	—	1,800	1,013	787
	Total Sub-Program	1,800	—	1,800	1,013	787
Total Support for Basic Learning		5,983	—	5,983	3,016	2,967

Schedule 5
(continued)**Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget**

(in thousands)		2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
Support for Adult Learning						
3.1	Program Support					
3.1.1	Program Delivery Support	3,536	—	3,536	3,649	(113)
3.1.2	Community Education					
	Operating Expense	1,152	—	1,152	1,804	(652)
	Operating Expense Funded by Lotteries	15,300	—	15,300	15,300	—
3.1.3	Learning Television					
	Operating Expense	127	—	127	324	(197)
	Operating Expense Funded by Lotteries	2,300	—	2,300	2,300	—
3.1.4	Other Program Support	15,571	(1,797)	13,774	8,164	5,610
3.1.5	International Qualifications Assessment	677	—	677	856	(179)
	Total Sub-Program	38,663	(1,797)	36,866	32,397	4,469
3.2	Grants to Post Secondary Institutions					
3.2.1	Private University-Colleges	9,085	—	9,085	10,841	(1,756)
3.2.2	Technical Institutes	157,635	—	157,635	181,484	(23,849)
3.2.3	Public Colleges	297,739	—	297,739	295,070	2,669
3.2.4	Universities	577,644	1,300	578,944	588,694	(9,750)
3.2.5	Banff Centre	11,090	—	11,090	11,313	(223)
3.2.6	Inter-Jurisdiction Programs	5,464	—	5,464	5,259	205
	Total Sub-Program	1,058,657	1,300	1,059,957	1,092,661	(32,704)
3.3	Funding Envelopes					
3.3.1	Funding Envelopes Delivery Support	514	—	514	502	12
3.3.2	Access Fund	146,151	(2,200)	143,951	117,285	26,666
3.3.3	Performance Envelope	—	11,674	11,674	11,816	(142)
	Total Sub-Program	146,665	9,474	156,139	129,603	26,536
3.4	Apprenticeship and Industry Training					
3.4.1	Apprenticeship Delivery Support					
	Operating Expense	13,702	2,874	16,576	17,660	(1,084)
	Capital Investment	430	1,162	1,592	1,485	107
3.4.2	Marketing Apprenticeship	2,537	505	3,042	3,029	13
3.4.3	Amortization of Capital Assets	1,753	—	1,753	46	1,707
	Total Sub Program	18,422	4,541	22,963	22,220	743
	Total Support for Adult Learning	1,262,407	13,518	1,275,925	1,276,881	(956)

Schedule 5
(continued)

Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

	(in thousands)	2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
Support to Adult Learners						
4.1 Program Delivery						
4.1.1 Program Delivery Support						
Operating Expense		6,456	—	6,456	6,908	(452)
Capital Investment		3,000	500	3,500	3,429	71
4.1.2 Program Systems Support		10,900	—	10,900	9,689	1,211
4.1.3 Amortization of Capital Assets		1,858	—	1,858	423	1,435
Total Sub-Program		22,214	500	22,714	20,449	2,265
4.2 Assistance for Learners						
4.2.1 Maintenance Grants		8,100	1,100	9,200	8,903	297
4.2.2 Special Needs Bursaries		1,600	—	1,600	905	695
4.2.3 Alberta Opportunities Bursary		11,800	200	12,000	11,319	681
4.2.4 Achievement Scholarships						
Operating Expense		16,000	—	16,000	14,094	1,906
Operating Expense Funded by Lotteries		3,100	—	3,100	3,100	—
4.2.5 Student Loan Relief – Benefit		31,800	4,100	35,900	34,170	1,730
Total Sub-Program		72,400	5,400	77,800	72,491	5,309
Total Support to Adult Learners		94,614	5,900	100,514	92,940	7,574
Total Voted Expenses		\$ 1,374,108	\$ 19,601	\$ 1,393,709	\$ 1,381,631	\$ 12,078
Voted Expenses						
Program Operating Expenses		\$ 1,349,061	\$ 17,939	\$ 1,367,000	\$ 1,356,011	\$ 10,989
Program Operating Expenses funded by Lotteries		20,700	—	20,700	20,700	—
Equipment/Inventory Purchases		4,347	1,662	6,009	4,920	1,089
Total Voted Expenses		\$ 1,374,108	\$ 19,601	\$ 1,393,709	\$ 1,381,631	\$ 12,078
Statutory Expenses						
Alberta Centennial Education Savings Plan		\$ 4,300	\$ —	\$ 4,300	\$ —	\$ 4,300
Alberta Heritage Scholarships		22,545	455	23,000	22,969	31
Valuation Adjustments						
Provision for Future Cost of Student Loans Issued		59,800	(15,000)	44,800	49,439	(4,639)
Provision for Doubtful Accounts/Bad Debt Expense		5	—	5	—	5
Provision for Vacation Pay		—	—	—	208	(208)
Total Statutory Expenses		\$ 86,650	\$ (14,545)	\$ 72,105	\$ 72,616	\$ (511)

Schedule 5
(continued)

Comparison of Directly Incurred Expenses, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

(in thousands)		2004-2005 Estimates	Authorized Supplementary (a)	2004-2005 Authorized Budget	2004-2005 Actual Expense (b)	Unexpended (Over- expended)
Non-Budgetary Disbursements by Program						
3.2	Grants to Post-Secondary Institutions					
3.2.4	Universities	\$ 30,700	\$ —	\$ 30,700	\$ 30,700	\$ —
4.3	Support to Adult Learners					
4.3.1	Student Loans Servicing Cost	6,800	—	6,800	4,152	2,648
4.3.2	Loan Relief Completion Payments	7,000	—	7,000	3,986	3,014
4.3.3	Student Loan Disbursements	97,000	—	97,000	89,386	7,614
		110,800	—	110,800	97,524	13,276
Total Non-Budgetary Disbursements		\$ 141,500	\$ —	\$ 141,500	\$ 128,224	\$ 13,276

(a) Supplementary estimates were approved on March 24, 2005. Treasury Board approval is pursuant to Section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).

(b) Includes achievement bonuses of \$659.

Funding Provided to Post-Secondary Institutions

	(in thousands)	Operating and Conditional Funding	Access Fund	Other (a)	Total
Public					
Colleges					
Alberta College of Art and Design	\$	7,881	\$ 315	\$ 89	\$ 8,285
Bow Valley College		15,104	1,281	585	16,970
Grande Prairie Regional College		16,294	364	91	16,749
Grant MacEwan College		44,916	7,841	3,220	55,977
Keyano College		19,668	1,516	236	21,420
Lakeland College		19,892	1,353	219	21,464
Lethbridge Community College		22,280	3,557	1,436	27,273
Medicine Hat College		15,710	1,464	180	17,354
Mount Royal College		42,698	6,635	791	50,124
NorQuest College		18,313	2,261	844	21,418
Northern Lakes College		17,995	608	—	18,603
Olds College		14,994	801	1,209	17,004
Portage College		13,335	733	151	14,219
Red Deer College		23,272	6,164	345	29,781
Technical Institutes					
Northern Alberta Institute of Technology		104,229	11,289	1,760	117,278
Southern Alberta Institute of Technology		80,677	10,847	1,619	93,143
Universities					
Athabasca University		19,372	5,203	323	24,898
The University of Alberta		315,722	28,292	5,030	349,044
The University of Calgary		207,161	17,623	4,302	229,086
The University of Lethbridge		48,195	7,671	626	56,492
Banff Centre					
The Banff Centre for Continuing Education		11,313	55	—	11,368
Total	\$	1,079,021	\$ 115,873	\$ 23,056	\$ 1,217,950
Private					
Colleges					
Canadian University College	\$	1,610	\$ 106	\$ 7	\$ 1,723
Concordia University College of Alberta		6,547	322	74	6,943
The King's University College		2,358	392	30	2,780
Private Vocational Schools					
Columbia College		2	92	—	94
Total	\$	10,517	\$ 912	\$ 111	\$ 11,540

(a) Other funding supports initiatives such as Inmate Programs and Community Adult Learning Programs.

Schedule 7

Statement of Alberta Heritage Scholarship Fund Expenses

The Alberta Heritage Scholarship Fund is designed to reward Albertans for excellence and outstanding achievement.

Under the *Alberta Heritage Scholarship Act*, the Minister of Advanced Education is responsible for the administration of scholarships, while the Provincial Treasurer is responsible to hold and administer the Fund. Scholarship payments from the Fund are made from the investment earning on the Fund assets. The endowment and retained earnings of the fund total \$249,642 (2004 - \$251,354). The financial statements of the Fund are included in the annual report of the Ministry of Finance.

	Actual				Cumulative	
	2005		2004		1981-2005	
(in thousands)	Number of Recipients	Expenses	Number of Recipients	Expenses	Number of Recipients	Expenses
Rutherford	8,940	\$ 16,975	8,788	\$ 16,388	138,227	\$ 186,747
McKinney	925	2,297	909	2,252	19,887	51,764
Graduate Scholarships	194	1,887	188	1,810	1,942	18,728
Lougheed	15	265	15	265	496	6,973
Steinhauer	14	240	15	265	486	6,636
United World College	16	425	16	422	184	4,246
Other Heritage Scholarships	647	880	693	823	7,397	6,775
	10,751	\$ 22,969	10,624	\$ 22,225	168,619	\$ 281,869

Expenses of \$22,969 (2004 - \$22,225) are included in Support to Post-Secondary Learners and are offset by revenues from the Fund. These amounts are included in the Consolidated Statement of Operations of Advanced Education.

Schedule 8

Tangible Capital Asset Purchases

	2005		2004	
	Budget	Actual	Actual	
(in thousands)			(Restated: See Note 3)	
By Type				
Equipment	\$ —	\$ —	\$ —	—
Computer Hardware and Software	4,347	4,920	6,263	
	\$ 4,347	\$ 4,920	\$ 6,263	

Schedule 9

Salary and Benefits Disclosure

	2005			2004	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
					(Restated: See Note 3)
Deputy Minister (4)(5)	\$ 164,568	\$ 30,489	\$ 31,473	\$ 226,530	\$ 234,404
Executives					
Assistant Deputy Minister, Adult Learning Division	132,216	19,436	24,644	176,296	175,327
Assistant Deputy Minister, Information and Strategic Services Division (6)(7)	127,701	18,847	24,320	170,868	175,470
Assistant Deputy Minister, Corporate Services Division (6)(8)	132,216	26,618	26,017	184,851	176,474
Executive Director, Apprenticeship and Industry Training Division (9)	124,284	21,968	24,596	170,848	164,968
Executive Director, Learner Transitions (10)	77,016	—	13,654	90,670	115,987
Executive Director, Strategic and Corporate Services (11)	41,976	17,492	9,393	68,861	—
	\$ 799,977	\$ 134,850	\$ 154,097	\$ 1,088,924	\$ 1,042,630

On November 24, 2004, the Ministry of Learning was split into the Ministry of Education and the Ministry of Advanced Education. Prior to November 24, the Ministry of Learning had a single Executive Committee. Subsequently, two Executive Committees were created. Two of the Assistant Deputy Ministers were members of both Executive Committees until March 31, 2005 and are therefore included in the disclosure for both ministries. Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime, and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other non-cash benefits figures.

(5) This position was occupied by two individuals throughout the year. Other cash benefits relate solely to the current Deputy Minister.

(6) The incumbent's services are shared with the Ministry of Education.

(7) A portion of base salary and other non-cash benefits are disclosed for the Executive Director who assumed the role of the Assistant Deputy Minister for a period of time.

(8) Other cash benefits include \$7,377 (2004 – \$0) in vacation pay.

(9) Other cash benefits include \$3,698 (2004 – \$0) in vacation pay.

(10) This position was discontinued in November 2004.

(11) This position was created in December 2004.

Related Party Transactions

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The following transactions with related parties are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

<i>(in thousands)</i>	2005	2004
		(Restated: See Note 3)
Revenue		
Internal Government Transfers		
Lottery Fund	\$ 20,700	\$ 20,700
Alberta Heritage Scholarship Fund	22,969	22,225
	<u>\$ 43,669</u>	<u>\$ 42,925</u>
Expenses		
Supplies and Services from Other Ministries	<u>\$ 5,494</u>	<u>\$ 4,250</u>
Payable to Related Party	<u>\$ 68</u>	<u>\$ —</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 11.

<i>(in thousands)</i>	2005	2004
		(Restated: See Note 3)
Expenses – Incurred by Others		
Accommodation	\$ 4,153	\$ 3,948
Legal Services	69	140
Other	1	—
	<u>\$ 4,223</u>	<u>\$ 4,088</u>

Schedule 11 | Allocated Costs

		2005			2004	
		Expenses - Incurred by Others				
	(in thousands)	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Total Expenses	Total Expenses
Program						(Restated: See Note 3)
Assistance to Post Secondary Institutions	\$	1,230,939	\$ 2,497	\$ —	\$ 1,233,436	\$ 1,176,458
Support to Post Secondary Learners		154,797	728	—	155,525	112,716
Apprenticeship Delivery and Industry Training		20,735	42	—	20,777	16,244
Ministry Support Services		8,787	817	69	9,673	9,380
Program Delivery Support		34,069	69	—	34,138	31,729
	\$	1,449,327	\$ 4,153	\$ 69	\$ 1,453,549	\$ 1,346,527

- (1) Expenses - Directly Incurred as per Statement of Operations. Support to post-secondary learners includes provision for future costs of student loans issued and Alberta Centennial Education Savings Plan (ACES). Assistance to post-secondary institutions includes one-time operations and maintenance grants.
- (2) Costs shown for Accommodation on Schedule 10, allocated by square footage.
- (3) Legal Services Expense is split based on the allocated shared percentage identified in the Order In Council splitting the Ministry of Learning.

Financial Information

*Unaudited
Information*

Post-Secondary Institutions Financial Statements

Summary of Colleges

Summary of Technical Institutes

Summary of Universities

Summary of The Banff Centre for Continuing Education

Post-Secondary Institutions – Disclosure of Salaries and Benefits for President Positions

Audited financial statements are available on Advanced Education's Website:

www.advancededucation.gov.ab.ca/PSFS

For a print version of the complete audited financial statements of post-secondary institutions, please order by:

phone 780-427-2767

e-mail lrccustserv@gov.ab.ca

online www.lrc.education.gov.ab.ca

Summary of
CollegesStatement of Operations and Changes in Financial Position
for the Year Ended June 30, 2004

	(in thousands)	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College	Grant MacEwan College
Revenue						
Grants	\$	8,641	\$ 16,752	\$ 14,697	\$ 17,446	\$ 51,798
Sales, rentals and services		938	—	1,943	2,791	17,574
Tuition and related fees		3,545	9,194	2,996	6,563	45,164
Education contracts and contract programs		—	7,196	583	1,144	3,931
Investment income		213	346	360	427	1,780
Donations and contributions		205	353	141	652	2,346
Amortization of deferred capital contributions		762	1,362	1,784	1,538	4,872
Ancillary services		903	1,547	—	—	—
Miscellaneous revenue		82	—	—	—	—
		15,289	36,750	22,504	30,561	127,465
Expense						
Salaries, wages and benefits		9,111	23,606	11,655	18,111	78,863
Instruction and institutional support		279	—	—	—	—
Supplies and services		3,511	8,366	4,894	6,187	21,198
Amortization of capital assets		938	2,126	2,046	2,163	9,313
Maintenance, utilities and property tax		—	—	1,216	818	3,309
Facilities cost		—	—	—	—	—
Scholarships and bursaries		141	191	94	212	880
Other		444	695	623	892	7,235
Loss/(gain) on disposal of capital assets		3	6	502	10	—
		14,427	34,990	21,030	28,393	120,798
Excess Revenue over Expenses	\$	862	\$ 1,760	\$ 1,474	\$ 2,168	\$ 6,667
Changes in Financial Position						
Cash generated (used) by operations	\$	1,081	\$ 3,002	\$ 1,915	\$ 3,664	\$ 10,507
Cash generated (used) by investing activities		(414)	(3,576)	3,318	(2,774)	(21,662)
Cash generated (used) by financing activities		164	1,065	1,274	986	12,547
Increase/(decrease) in cash and short-term investments		831	491	6,507	1,876	1,392
Cash and short-term investments at beginning of year, net of bank indebtedness		3,352	2,810	1,751	845	14,836
Cash and short-term investments at end of year, net of bank indebtedness	\$	4,183	\$ 3,301	\$ 8,258	\$ 2,721	\$ 16,228

Summary of
CollegesStatement of Operations and Changes in Financial Position
for the Year Ended June 30, 2004

(in thousands)	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	Mount Royal College
Revenue					
Grants	\$ 21,364	\$ 22,018	\$ 27,166	\$ 18,189	\$ 49,996
Sales, rentals and services	5,032	4,450	7,062	3,351	15,518
Tuition and related fees	5,067	10,409	14,524	8,611	29,259
Education contracts and contract programs	1,019	2,098	1,333		15,792
Investment income	1,154	1,049	462	664	2,600
Donations and contributions	595	211	123	125	1,304
Amortization of deferred capital contributions	1,879	2,496	3,621	1,170	7,858
Ancillary services	—	—	—	—	—
Miscellaneous revenue	—	1,228	—	—	—
	36,110	43,959	54,291	32,110	122,327
Expense					
Salaries, wages and benefits	22,234	25,717	32,949	19,255	77,022
Instruction and institutional support	—	—	—	—	—
Supplies and services	6,058	11,905	7,994	6,788	21,996
Amortization of capital assets	3,295	4,690	4,046	2,317	11,461
Maintenance, utilities and property tax	1,923	1,996	1,798	792	5,212
Facilities cost	—	—	—	—	—
Scholarships and bursaries	421	182	132	269	709
Other	1,242	308	3,295	1,301	5,086
Loss/(gain) on disposal of capital assets	22	(18)	—	—	—
	35,195	44,780	50,214	30,722	121,486
Excess Revenue over Expenses	\$ 915	\$ (821)	\$ 4,077	\$ 1,388	\$ 841
Changes in Financial Position					
Cash generated (used) by operations	\$ 3,281	\$ 1,658	\$ 5,190	\$ 3,819	\$ 4,594
Cash generated (used) by investing activities	(1,725)	(3,364)	(3,209)	(6,278)	(14,575)
Cash generated (used) by financing activities	77	320	1,603	1,453	(3,273)
Increase/(decrease) in cash and short-term investments	1,633	(1,386)	3,584	(1,006)	(13,254)
Cash and short-term investments at beginning of year, net of bank indebtedness	524	2,245	(1,528)	4,919	29,906
Cash and short-term investments at end of year, net of bank indebtedness	\$ 2,157	\$ 859	\$ 2,056	\$ 3,913	\$ 16,652

Summary of
CollegesStatement of Operations and Changes in Financial Position
for the Year Ended June 30, 2004

(in thousands)	NorQuest College	Northern Lakes College	Olds College	Portage College	Red Deer College
Revenue					
Grants	\$ 20,985	\$ 18,504	\$ 17,042	\$ 14,430	\$ 27,473
Sales, rentals and services	2,402	1,310	4,896	1,765	1,207
Tuition and related fees	8,745	3,158	4,872	2,831	14,712
Education contracts and contract programs	4,634	335	2,070	1,483	1,855
Investment income	558	178	761	127	340
Donations and contributions	68	48	872	160	1,581
Amortization of deferred capital contributions	1,026	1,244	1,867	1,040	2,478
Ancillary services	—	—	—	—	6,622
Miscellaneous revenue	—	44	—	280	—
	38,418	24,821	32,380	22,116	56,268
Expense					
Salaries, wages and benefits	26,065	14,819	18,746	13,534	35,334
Instruction and institutional support	—	—	—	—	—
Supplies and services	7,334	4,383	7,300	5,586	11,618
Amortization of capital assets	1,892	2,028	2,867	1,725	4,323
Maintenance, utilities and property tax	546	1,488	1,314	713	1,791
Facilities cost	—	158	—	—	—
Scholarships and bursaries	—	62	222	106	272
Other	209	1,081	1,805	—	2,561
Loss/(gain) on disposal of capital assets	—	(6)	69	—	(1,263)
	36,046	24,013	32,323	21,664	54,636
Excess Revenue over Expenses	\$ 2,372	\$ 808	\$ 57	\$ 452	\$ 1,632
Changes in Financial Position					
Cash generated (used) by operations	\$ 2,292	\$ 1,557	\$ 887	\$ 1,699	\$ (259)
Cash generated (used) by investing activities	(4,439)	(1,259)	(2,160)	(1,459)	(1,543)
Cash generated (used) by financing activities	1,225	507	1,064	949	362
Increase/(decrease) in cash and short-term investments	(922)	805	(209)	1,189	(1,440)
Cash and short-term investments at beginning of year, net of bank indebtedness	8,499	3,658	3,639	2,662	10,529
Cash and short-term investments at end of year, net of bank indebtedness	\$ 7,577	\$ 4,463	\$ 3,430	\$ 3,851	\$ 9,089

Summary of
CollegesStatement of Operations and Changes in Financial Position
for the Year Ended June 30, 2004

	(in thousands)	2004 Totals	2003 Totals (Restated)	2004 Budget
Revenue				
Grants	\$	346,501	\$ 331,194	\$ 329,559
Sales, rentals and services		70,239	64,937	66,202
Tuition and related fees		169,650	155,595	167,722
Education contracts and contract programs		43,473	43,886	40,500
Investment income		11,019	5,436	8,208
Donations and contributions		8,784	8,624	6,223
Amortization of deferred capital contributions		34,997	33,949	32,985
Ancillary services		9,072	8,628	8,566
Miscellaneous revenue		1,634	1,873	1,888
		695,369	654,122	661,853
Expense				
Salaries, wages and benefits		427,021	406,545	414,597
Instruction and institutional support		279	701	624
Supplies and services		135,118	133,632	140,257
Amortization of capital assets		55,230	50,968	48,849
Maintenance, utilities and property tax		22,916	22,852	22,863
Facilities cost		158	181	190
Scholarships and bursaries		3,893	3,536	4,073
Other		26,777	26,331	25,531
Loss/(gain) on disposal of capital assets		(675)	448	(25)
		670,717	645,194	656,959
Excess Revenue over Expenses	\$	24,652	\$ 8,928	\$ 4,894
Changes in Financial Position				
Cash generated (used) by operations	\$	44,887	\$ 14,614	
Cash generated (used) by investing activities		(65,119)	(72,657)	
Cash generated (used) by financing activities		20,323	46,049	
Increase/(decrease) in cash and short-term investments		91	(11,994)	
Cash and short-term investments at beginning of year, net of bank indebtedness		88,647	100,641	
Cash and short-term investments at end of year, net of bank indebtedness	\$	88,738	\$ 88,647	

Summary of
CollegesStatement of Financial Position
as at June 30, 2004

(in thousands)	Alberta College of Art and Design	Bow Valley College	Fairview College	Grande Prairie Regional College	Grant MacEwan College
Assets					
Current					
Cash and short-term investments	\$ 4,183	\$ 3,301	\$ 8,258	\$ 2,721	\$ 16,228
Accounts receivable	202	2,262	756	987	2,312
Inventories	534	568	229	326	2,222
Prepaid expenses and deposits	—	103	72	13	553
	4,919	6,234	9,315	4,047	21,315
Long-term					
Investments	2,976	11,508	5,359	7,804	25,455
Capital assets	6,525	22,150	18,894	34,367	163,865
Other assets	612	—	—	—	—
	\$ 15,032	\$ 39,892	\$ 33,568	\$ 46,218	\$ 210,635
Liabilities and Net Assets					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	323	1,391	707	1,596	8,638
Accrued vacation pay	713	1,676	587	1,170	4,613
Unearned revenue	190	1,669	56	275	3,240
Deferred contributions	943	915	952	598	4,026
Current portion of long-term debt	—	—	—	150	197
Other current liabilities	194	144	—	619	—
	2,363	5,795	2,302	4,408	20,714
Long-term					
Debt	—	—	—	812	14,893
Deferred contributions	—	—	—	—	—
Deferred capital contributions	1,388	4,008	742	1,255	2,169
Unamortized deferred capital contributions	6,076	17,664	10,111	29,726	94,351
Other long-term liabilities	98	162	916	246	—
	7,562	21,834	11,769	32,039	111,413
Net Assets					
Endowments	1,790	410	2,074	2,817	11,257
Investment in capital assets	449	4,180	8,783	3,432	54,423
Internally restricted	1,433	7,400	3,486	2,327	279
Unrestricted	1,435	273	5,154	1,195	12,549
	5,107	12,263	19,497	9,771	78,508
	\$ 15,032	\$ 39,892	\$ 33,568	\$ 46,218	\$ 210,635

Summary of
CollegesStatement of Financial Position
as at June 30, 2004

(in thousands)	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	Mount Royal College
Assets					
Current					
Cash and short-term investments	\$ 2,157	\$ 859	\$ 2,056	\$ 3,913	\$ 16,652
Accounts receivable	1,391	1,899	1,126	817	5,876
Inventories	158	1,000	497	366	868
Prepaid expenses and deposits	179		279	174	1,037
	3,885	3,758	3,958	5,270	24,433
Long-term					
Investments	8,459	5,576	7,931	7,630	45,052
Capital assets	60,871	61,300	51,935	40,868	180,877
Other assets	80	11	—	—	—
	\$ 73,295	\$ 70,645	\$ 63,824	\$ 53,768	\$ 250,362
Liabilities and Net Assets					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	2,217	1,298	1,544	1,207	6,231
Accrued vacation pay	1,583	1,773	717	563	4,007
Unearned revenue	655	1,570	1,028	796	3,763
Deferred contributions	2,820	2,190	1,251	1,745	7,835
Current portion of long-term debt	194	848	142	80	—
Other current liabilities	—	—	—	—	1,073
	7,469	7,679	4,682	4,391	22,909
Long-term					
Debt	5,282	2,856	6,105	3,775	—
Deferred contributions	—	—	—	—	4,563
Deferred capital contributions	—	436	1,654	146	13,154
Unamortized deferred capital contributions	32,137	44,790	34,005	28,102	133,083
Other long-term liabilities	—	—	—	1,042	33,573
	37,419	48,082	41,764	33,065	184,373
Net Assets					
Endowments	1,158	1,540	4,386	2,593	17,222
Investment in capital assets	23,258	12,820	11,683	8,911	15,087
Internally restricted	—	524	1,309	4,045	8,457
Unrestricted	3,991	—	—	763	2,314
	28,407	14,884	17,378	16,312	43,080
	\$ 73,295	\$ 70,645	\$ 63,824	\$ 53,768	\$ 250,362

Summary of
CollegesStatement of Financial Position
as at June 30, 2004

(in thousands)	NorQuest College	Northern Lakes College	Olds College	Portage College	Red Deer College
Assets					
Current					
Cash and short-term investments	\$ 7,577	\$ 4,463	\$ 3,430	\$ 3,851	\$ 9,089
Accounts receivable	1,676	1,138	3,020	1,028	1,062
Inventories	149	210	425	195	909
Prepaid expenses and deposits	983	110	—	156	309
	10,385	5,921	6,875	5,230	11,369
Long-term					
Investments	6,515	1,464	5,746	535	6,272
Capital assets	22,620	31,336	28,877	32,362	55,318
Other assets	—	—	100	—	1,283
	\$ 39,520	\$ 38,721	\$ 41,598	\$ 38,127	\$ 74,242
Liabilities and Net Assets					
Current					
Bank indebtedness	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities	2,312	688	1,199	929	4,382
Accrued vacation pay	2,191	2,003	1,341	1,037	2,899
Unearned revenue	1,328	246	574	504	1,697
Deferred contributions	241	1,374	2,537	1,015	1,337
Current portion of long-term debt	—	—	159	—	179
Other current liabilities	—	109	—	—	420
	6,072	4,420	5,810	3,485	10,914
Long-term					
Debt	—	—	3,822	—	4,743
Deferred contributions	—	—	—	—	—
Deferred capital contributions	570	—	601	214	527
Unamortized deferred capital contributions	15,545	25,968	16,835	28,779	36,167
Other long-term liabilities	—	132	—	—	366
	16,115	26,100	21,258	28,993	41,803
Net Assets					
Endowments	380	68	5,117	444	4,508
Investment in capital assets	7,075	5,368	8,060	3,583	14,726
Internally restricted	9,741	13	478	915	1,460
Unrestricted	137	2,752	875	707	831
	17,333	8,201	14,530	5,649	21,525
	\$ 39,520	\$ 38,721	\$ 41,598	\$ 38,127	\$ 74,242

Summary of
CollegesStatement of Financial Position
as at June 30, 2004

	(in thousands)	2004 Totals	2003 Totals (Restated)
Assets			
Current			
Cash and short-term investments	\$	88,738	\$ 90,248
Accounts receivable		25,552	26,186
Inventories		8,656	8,069
Prepaid expenses and deposits		3,968	2,833
		126,914	127,336
Long-term			
Investments		148,282	150,335
Capital assets		812,165	798,710
Other assets		2,086	2,135
	\$	1,089,447	\$ 1,078,516
Liabilities and Net Assets			
Current			
Bank indebtedness	\$	—	\$ 1,601
Accounts payable and accrued liabilities		34,662	35,059
Accrued vacation pay		26,873	28,446
Unearned revenue		17,591	16,952
Deferred contributions		29,779	24,111
Current portion of long-term debt		1,949	1,556
Other current liabilities		2,559	2,155
		113,413	109,880
Long-term			
Debt		42,288	35,060
Deferred contributions		4,563	4,710
Deferred capital contributions		26,864	35,264
Unamortized deferred capital contributions		553,339	567,444
Other long-term liabilities		36,535	43,832
		663,589	686,310
Net Assets			
Endowments		55,764	51,835
Investment in capital assets		181,838	163,792
Internally restricted		41,867	39,643
Unrestricted		32,976	27,056
		312,445	282,326
	\$	1,089,447	\$ 1,078,516

Summary of
Technical
Institutes

Statement of Operations and Changes in Financial Position
for the Year Ended June 30, 2004

	(in thousands)	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2004 Totals	2003 Totals	2004 Budget
Revenue						
Grants	\$	97,594	\$ 88,418	\$ 186,012	\$ 171,130	\$ 175,464
Earned revenue programs		27,052	34,978	62,030	59,602	66,104
Tuition and related fees		26,538	29,116	55,654	51,156	53,393
Donations and fund raising		2,497	6,765	9,262	9,272	3,182
Ancillary services		14,844	17,775	32,619	31,181	33,660
Sales, rentals and services		4,858	4,411	9,269	9,295	9,186
Investment income		2,298	787	3,085	1,983	2,624
Amortization of deferred capital contributions		6,384	7,582	13,966	13,673	15,066
		182,065	189,832	371,897	347,292	358,679
Expense						
Salaries, wages and benefits		115,164	106,042	221,206	212,927	228,649
Supplies and services		39,442	38,021	77,463	70,807	68,802
Utilities		6,546	8,425	14,971	14,125	15,512
Interest expense		—	4,046	4,046	4,301	4,029
Facility rentals		646	—	646	552	459
Scholarships and bursaries		815	3,235	4,050	4,071	1,600
Repairs and maintenance		—	8,986	8,986	8,666	8,533
Capital amortization		12,276	14,647	26,923	29,244	30,995
Loss on disposal of capital assets		392	1,807	2,199	614	100
		175,281	185,209	360,490	345,307	358,679
Excess Revenue over Expenses	\$	6,784	\$ 4,623	\$ 11,407	\$ 1,985	\$ —
Changes in Financial Position						
Cash generated (used) by operating activities	\$	15,627	\$ 24,781	\$ 40,408	\$ 12,076	
Cash generated (used) by investing activities		(23,758)	4,242	(19,516)	(27,814)	
Cash generated (used) by financing activities		10,767	3,021	13,788	11,490	
Net increase (decrease) in short-term investments		2,636	32,044	34,680	(4,248)	
Cash and short-term investments at the beginning of the year		1,219	4,912	6,131	10,379	
Cash and short-term investments at the end of the year	\$	3,855	\$ 36,956	\$ 40,811	\$ 6,131	

Summary of
Technical
InstitutesStatement of Financial Position
as at June 30, 2004

	(in thousands)	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2004 Totals	2003 Totals (Restated)
Assets					
Current					
Cash and short-term investments	\$	3,855	\$ 36,956	\$ 40,811	\$ 6,131
Accounts receivable		7,001	8,461	15,462	15,239
Inventories		3,261	1,914	5,175	4,608
Prepaid expenses		732	445	1,177	1,963
Total Current		14,849	47,776	62,625	27,941
Long-term					
Investments		42,429	13,311	55,740	66,221
Capital assets		170,272	204,988	375,260	373,841
Long-term receivables		3,125	—	3,125	4,346
Total Assets	\$	230,675	\$ 266,075	\$ 496,750	\$ 472,349
Liabilities and Net Assets					
Current					
Accounts payable and accrued liabilities	\$	13,609	\$ 17,963	\$ 31,572	\$ 26,368
Accrued vacation pay		10,140	8,030	18,170	18,109
Unearned revenue		7,569	7,932	15,501	13,235
Deferred salary plans		—	404	404	396
Deferred contributions		5,302	14,757	20,059	13,749
Current portion of long-term debt		—	549	549	3,725
Current portion of long-term leases		584	—	584	236
		37,204	49,635	86,839	75,818
Long-term					
Debt (Mortgages)		—	19,524	19,524	56,638
Deferred capital contributions		5,413	4,090	9,503	15,517
Long-term leases		1,161	—	1,161	312
Unamortized deferred capital contributions		98,080	120,758	218,838	175,505
		104,654	144,372	249,026	247,972
Net Assets					
Endowments		9,274	9,221	18,495	17,576
Internally restricted		1,743	—	1,743	—
Investment in capital assets		70,447	64,157	134,604	137,425
Unrestricted net assets		7,353	(1,310)	6,043	(6,442)
Total Net Assets		88,817	72,068	160,885	148,559
Total Liabilities and Net Assets	\$	230,675	\$ 266,075	\$ 496,750	\$ 472,349

Summary of
UniversitiesStatement of Operations and Changes in Financial Position
for the Year Ended March 31, 2005

	(in thousands)	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University
Revenue					
Grants	\$	587,583	\$ 378,912	\$ 67,093	\$ 25,452
Tuition and related fees		163,423	116,485	33,743	41,379
Non-credit tuition and related fees		—	13,328	—	—
Donations and contributions		38,012	66,714	663	432
Investment and royalty income		41,550	21,138	2,395	888
Sales, rentals and services		160,493	72,211	9,398	9,598
Amortization of deferred capital contributions		62,559	59,843	6,153	931
Miscellaneous revenue		—	—	3,195	883
		1,053,620	728,631	122,640	79,563
Expense					
Salaries		528,279	359,479	65,915	45,191
Employee benefits		87,190	53,469	10,805	—
Materials, supplies and services		178,646	108,725	11,140	16,805
Maintenance, utilities and property tax		60,778	32,301	5,428	1,543
Scholarships and bursaries		63,190	33,640	2,982	167
Travel		—	21,917	3,080	4,812
Cost of goods sold		—	17,113	2,888	—
Interest/Financing		9,280	3,704	429	—
Amortization of capital assets		88,815	79,277	12,064	2,773
Unrealized loss on write-down of investments		—	—	55	—
Other		—	—	—	—
Loss/(gain) on disposal of capital assets		—	—	1,094	—
		1,016,178	709,625	115,880	71,291
Excess Revenue over Expenses	\$	37,442	\$ 19,006	\$ 6,760	\$ 8,272
Changes in Financial Position					
Cash generated (used) by operating activities	\$	103,035	\$ 61,224	\$ 18,486	\$ 13,782
Cash generated (used) by investing activities		(259,371)	(165,920)	(16,053)	(8,849)
Cash generated (used) by financing activities		215,749	127,624	3,210	74
Increase/(decrease) in cash and short-term investments		59,413	22,928	5,643	5,007
Cash and short-term investments at beginning of year, net of bank indebtedness		138,885	205,136	12,553	16,179
Cash and short-term investments at end of year, net of bank indebtedness	\$	198,298	\$ 228,064	\$ 18,196	\$ 21,186

Summary of
UniversitiesStatement of Operations and Changes in Financial Position
for the Year Ended March 31, 2005

(in thousands)	2005 Totals	2004 Totals (Restated)	2005 Budget
Revenue			
Grants	\$ 1,059,040	\$ 957,384	\$ 1,014,248
Tuition and related fees	355,030	332,652	351,271
Non-credit tuition and related fees	13,328	13,326	16,649
Donations and contributions	105,821	106,394	69,029
Investment and royalty income	65,971	105,256	111,537
Sales, rentals and services	251,700	235,169	261,067
Amortization of deferred capital contributions	129,486	124,013	125,690
Miscellaneous revenue	4,078	3,654	3,340
	<u>1,984,454</u>	<u>1,877,848</u>	<u>1,952,831</u>
Expense			
Salaries	998,864	938,034	1,080,175
Employee benefits	151,464	140,388	86,427
Materials, supplies and services	315,316	291,530	526,769
Maintenance, utilities and property tax	100,050	99,894	31,187
Scholarships and bursaries	99,979	82,468	32,203
Travel	29,809	27,067	6,595
Cost of goods sold	20,001	21,010	2,920
Interest/Financing	13,413	11,553	3,386
Amortization of capital assets	182,929	174,098	174,600
Unrealized loss on write-down of investments	55	85	—
Other	—	—	2,676
Loss/(gain) on disposal of capital assets	1,094	1	—
	<u>1,912,974</u>	<u>1,786,128</u>	<u>1,946,938</u>
Excess Revenue over Expenses	\$ 71,480	\$ 91,720	\$ 5,893
Changes in Financial Position			
Cash generated (used) by operating activities	\$ 196,527	\$ 123,423	
Cash generated (used) by investing activities	(450,193)	(421,231)	
Cash generated (used) by financing activities	346,657	340,341	
Increase/(decrease) in cash and short-term investments	<u>92,991</u>	<u>42,533</u>	
Cash and short-term investments at beginning of year, net of bank indebtedness	372,753	330,220	
Cash and short-term investments at end of year, net of bank indebtedness	<u>\$ 465,744</u>	<u>\$ 372,753</u>	

Summary of
UniversitiesStatement of Financial Position
as at March 31, 2005

	(in thousands)	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University
Assets					
Current					
Cash and short-term investments	\$	217,366	\$ 228,064	\$ 18,196	\$ 21,186
Accounts receivable		99,808	63,044	5,420	3,202
Inventories		—	5,688	476	2,856
Prepaid expenses and deposits		—	3,390	593	810
Other		12,985	—	—	—
		330,159	300,186	24,685	28,054
Long-term					
Investments		751,467	298,357	51,325	18,884
Capital assets and collections		1,235,368	665,513	172,775	20,092
Other assets		—	17,247	—	370
	\$	2,316,994	\$ 1,281,303	\$ 248,785	\$ 67,400
Liabilities and Net Assets					
Current					
Bank indebtedness	\$	19,068	\$ —	\$ —	\$ —
Accounts payable and accrued liabilities		101,554	78,999	5,460	4,005
Current portion of employee benefit liabilities		35,200	—	4,411	5,183
Deferred revenue		18,317	17,332	4,448	11,320
Deferred contributions		199,070	157,034	13,843	1,801
Current portion of long-term liabilities		6,034	35,113	115	49
		379,243	288,478	28,277	22,358
Long-term					
Employee benefit liabilities		47,568	—	5,545	1,992
Deferred contributions		90,000	—	—	—
Deferred capital contributions		1,931	3,900	1,739	—
Unamortized deferred capital contributions		745,321	442,658	84,437	12,261
Long-term debt		121,661	—	3,776	—
Other long-term liabilities		—	24,824	158	52
		1,006,481	471,382	95,655	14,305
Net Assets					
Endowments		556,844	295,719	11,975	1,223
Investment in capital assets		365,460	200,576	84,445	8,100
Internally restricted		—	24,028	13,713	19,461
Unrestricted		8,966	1,120	14,720	1,953
		931,270	521,443	124,853	30,737
	\$	2,316,994	\$ 1,281,303	\$ 248,785	\$ 67,400

Summary of
UniversitiesStatement of Financial Position
as at March 31, 2005

	(in thousands)	2005	2004 (Restated)
Assets			
Current			
Cash and short-term investments	\$	484,812	\$ 380,458
Accounts receivable		171,474	181,426
Inventories		9,020	8,421
Prepaid expenses and deposits		4,793	4,628
Other		12,985	12,678
		683,084	587,611
Long-term			
Investments		1,120,033	1,082,134
Capital assets		2,093,748	1,866,425
Other assets		17,617	18,000
	\$	3,914,482	\$ 3,554,170
Liabilities and Net Assets			
Current			
Bank indebtedness	\$	19,068	\$ 7,705
Accounts payable and accrued liabilities		190,018	160,800
Current portion of employee benefit liabilities		44,794	50,477
Deferred revenue		51,417	41,882
Deferred contributions		371,748	348,980
Current portion of long-term liabilities		41,311	7,047
		718,356	616,891
Long-term			
Employee benefit liabilities		55,105	52,264
Deferred contributions		90,000	90,000
Deferred capital contributions		7,570	27,007
Unamortized deferred capital contributions		1,284,677	1,140,701
Long-term debt		125,437	96,700
Other long-term liabilities		25,034	57,213
		1,587,823	1,463,885
Net Assets			
Endowments		865,761	825,289
Investment in capital assets		658,581	593,536
Internally restricted		57,202	36,643
Unrestricted		26,759	17,926
		1,608,303	1,473,394
	\$	3,914,482	\$ 3,546,170

**Statement of Operations and Changes in Financial Position
for the Year Ended March 31, 2005**

	(in thousands)	2005 Totals	2004 Totals	2005 Budget
			(Restated)	
Revenue				
Grants	\$	14,736	\$ 14,322	\$ 14,147
Accommodation		14,150	13,282	14,099
Sales, rentals and services		6,917	6,967	7,044
Tuition and related fees		5,320	4,968	5,119
Investment income		43	68	164
Donations and other contributions		2,846	2,643	2,578
Amortization of deferred capital contributions		1,520	1,499	1,435
		45,532	43,749	44,586
Expense				
Salaries, wages and benefits		23,432	22,688	24,036
Scholarships and financial assistance		3,805	3,710	3,768
Supplies and materials		4,190	4,053	4,107
Facility operating		3,622	3,364	3,876
Purchased services		2,408	2,980	2,292
Travel and related		1,529	1,355	1,663
Financial costs		688	654	669
Marketing and promotion		668	601	772
Vehicles and equipment		1,176	1,217	1,218
Amortization of capital assets		2,304	2,182	2,185
Loss (gain) on disposal of capital assets		4	(694)	—
		43,826	42,110	44,586
Excess Revenue over Expenses	\$	1,706	\$ 1,639	\$ —
Changes in Financial Position				
Cash generated (used) by operating activities	\$	2,022	\$ 2,270	
Cash generated (used) by investing activities		(3,434)	(3,248)	
Cash generated (used) by financing activities		2,387	656	
Increase (decrease) in cash and short-term investments		975	(322)	
Cash and short-term investments at beginning of year		1,519	1,841	
Cash and short-term investments at end of year	\$	2,494	\$ 1,519	

Statement of Financial Position
as at March 31, 2005

	(in thousands)	2005	2004
Assets			
Current			
Cash and short-term investments	\$	2,494	\$ 1,519
Accounts receivable		3,572	1,907
Inventories		422	426
Prepaid expenses		142	215
		6,630	4,067
Long-term			
Notes receivable		499	494
Long-term investments		6,996	6,543
Capital assets		50,911	50,106
Other assets		631	313
	\$	65,667	\$ 61,523
Liabilities and Net Assets			
Current			
Accounts payable	\$	2,534	\$ 2,012
Accrued vacation pay		1,147	1,084
Unearned revenue		1,981	1,438
Deferred contributions		1,918	2,016
Long-term debt due within one year		3,196	3,519
		10,776	10,069
Long-term			
Deferred contributions		2,676	1,530
Long-term debt		—	8
Deferred expended capital contributions		33,888	33,748
		36,564	35,286
Net Assets			
Endowments		6,996	6,543
Operating net assets		11,331	9,625
		18,327	16,168
	\$	65,667	\$ 61,523

Post-
Secondary
Institutions

Disclosure of Salaries and Benefits for President Positions

	Base Salary	Other Cash Benefits *	Other Non-Cash Benefits **	Total
Colleges (June 30, 2004)				
Alberta College of Art and Design	\$ 37,542	\$ 188,529	\$ 2,590	\$ 228,661
Bow Valley College	145,750	—	21,833	167,583
Fairview College	122,743	57,716	14,419	194,878
Grande Prairie Regional College	123,000	—	22,014	145,014
Grant MacEwan College	216,120	—	18,887	235,007
Keyano College	118,729	—	21,151	139,880
Lakeland College	150,000	14,700	14,337	179,037
Lethbridge College	146,233	23,435	14,347	184,015
Medicine Hat College	152,000	—	21,767	173,767
Mount Royal College	207,760	—	48,065	255,825
NorQuest College	134,160	—	29,242	163,402
Northern Lakes College	146,253	913	5,908	153,074
Olds College	146,297	9,160	15,182	170,639
Portage College	118,823	—	42,417	161,240
Red Deer College	141,543	2,333	25,805	169,681
Technical Institutes (June 30, 2004)				
Northern Alberta Institute of Technology	200,000	71,000	15,000	286,000
Southern Alberta Institute of Technology	175,000	26,000	44,000	245,000
Universities (March 31, 2005)				
University of Alberta	301,000	108,000	318,000	727,000
University of Calgary	287,000	—	131,000	418,000
University of Lethbridge	242,000	30,000	69,000	341,000
Athabasca University	228,000	—	26,000	254,000
The Banff Centre (March 31, 2005)				
The Banff Centre for Continuing Education	224,000	—	24,000	248,000

* Other Cash Benefits include bonuses, overtime, lump sum payments and honoraria.

** Other Non-Cash Benefits includes the Institute's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plan, professional memberships and tuition. Other non-cash benefits figure also includes the institution's share of the cost of additional benefits including sabbaticals or other special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, housing allowances and club memberships.

Note: The Presidents of Post-Secondary Institutions are appointed by the Institution's Board of Governors.

Summary of Significant Accounting Policies

Post-secondary institutions prepare their financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The following are significant accounting policies followed by these entities:

- Revenues and expenses are recognized on an accrual basis.
- Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered.
- Unrestricted contributions are recognized as revenues when received.
- Capital grants are recorded as deferred contributions until the amounts are invested in capital assets.
- Once capital grants are invested in capital assets, the amounts are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.
- Endowment contributions are recognized as direct increases in net assets in the period in which they are received.
- Contributions for capital assets that will not be amortized, such as land and art collections, are recorded as direct increases in net assets in the period the assets are acquired.
- Capital assets are recorded at cost when acquired. Capital assets are amortized based on amortization policies set by post-secondary institutions.
- Donated assets are recorded at fair value where fair value is reasonably determined.
- Inventories of merchandise for resale are valued at the lower of cost and net realizable value. Inventories of supplies for consumption are valued at the lower of cost and replacement value.
- Short-term investments are recorded at the lower of cost or market value. Long term investments are recognized at market value.

Other Information

Endnote A

Notes on Surveys

Survey of Post-Secondary Institution Graduates

Surveys of graduates of publicly funded post-secondary institutions are conducted every other year, two years after graduation. The last survey was conducted in 2004, with 15,622 interviews of 2001/02 graduates from 25 Alberta post-secondary institutions. Graduates were surveyed by telephone about their employment outcomes upon graduation, further studies undertaken and their satisfaction with the overall quality of their educational experience.

Graduate Outcomes Survey – Sample Size and Confidence Interval

	Completed Interviews	Confidence Interval
Universities	7,705	±0.7%
Public Colleges	5,008	±0.9%
Technical Institutes	2,510	±1.3%
Private University Colleges	399	±2.5%
System Total	15,622	±0.5%

The 2004 survey used a five-point scale: *fully satisfied, somewhat satisfied, neutral, somewhat dissatisfied* and *very dissatisfied* categories. Satisfaction levels reported are the combined percentages of respondents who were *fully satisfied* or *somewhat satisfied*. No responses were excluded. The survey was conducted between January and April of 2004 by an independent third-party contractor.

Only graduates of parchment programs (i.e. certificate, diploma and degree programs) were surveyed on the new combined satisfaction and employment survey, and the survey was administered two years after the graduation year (2001/02). Previous graduate satisfaction surveys (of 1998/99 and 2000/01 graduates) were exit surveys, conducted at the time of graduation, and included graduates of preparatory and basic upgrading programs, as well as graduates of parchment programs. These were excluded as the new survey focuses on outcomes of graduates of post-secondary level programs.

The targeted number of responses was set to achieve a 95% confidence level by institution, with a $\pm 5\%$ confidence interval (or better). The targeted numbers of responses by field of study were set to achieve a 95% confidence level, with a $\pm 5\%$ confidence interval (or better) for each field of study across each of the following types of institutions: all universities combined, all university colleges combined, all colleges combined and all technical institutes combined.

The 2004 survey was coordinated by Alberta Learning (now Alberta Advanced Education) to ensure consistent implementation of the survey among all participating post-secondary institutions using a common survey method and timeframe. In previous graduate survey administrations, the colleges and technical institutes conducted their own surveys and reported the results to Alberta Learning through the Key Performance Indicator Reporting System (KPIRS), while the surveys of university graduates were centrally coordinated. The results of the previous surveys were reported in Alberta Learning's Annual Report (see Alberta Learning's 2002-03 Annual Report) a year after the survey was conducted, while the results of the 2004 survey were available to Alberta Learning to report in the year in which it was conducted. As a consequence of the major changes in survey methodology, results of the 2004 survey are not comparable to results of previous surveys.

Survey of Apprenticeship Graduates

Surveys of recent apprenticeship graduates are conducted every other year. The last survey was conducted in 2005, with 3,515 interviews of apprentices who had graduated between August 1, 2003 and July 31, 2004. Graduates were surveyed by telephone about their satisfaction with their experience in the apprenticeship system. The percentages of Alberta apprenticeship training system graduates who were somewhat or very satisfied with the quality of their on-the-job training and technical training are reported.

Satisfaction questions are based on a four-point scale. Satisfaction rates are based on those respondents who report being *somewhat satisfied* or *very satisfied*. The percentage is calculated by dividing the sum of the *somewhat satisfied* and *very satisfied* by the total number of survey respondents, including the *don't know* responses to these questions.

Not all apprenticeship graduates completed a technical training component as part of their apprenticeship program. As a result, respondents who had not completed any technical training or who had completed their technical training prior to starting their apprenticeship were omitted from this portion of the analysis.

In order to provide detailed analysis by trade group, training institute and region, the sampling frame included a census of the populations of both cohorts, with a minimum number of completed interviews attained for each cohort. The following table provides the sample size and confidence interval for each cohort.

Apprenticeship Graduate Survey – Sample Size and Confidence Interval

	Completed Interviews	Confidence Interval
Graduates who attended technical training and completed the on-the-job training requirements of their trade in the 2003-2004 school year	1,924	±1.4%
Graduates who completed their apprenticeship program in the 2003-2004 school year, but did not attend technical training in that year	1,261	±1.8%
Total	3,185	±1.1%

Based on the sampling method identified above, a minimum of 3,515 completed interviews was to be conducted from the two cohorts. The population of 2003-2004 graduates of apprenticeship training was split 58% to 42% respectively between those who completed both their technical training and on-the-job training requirements in the 2003-2004 school year and those who had completed their technical training prior to the 2003-2004 school year (or were not required to take any technical training during their apprenticeship).

Despite the shortfall in the number of survey completions, the quality of the results reported is not impacted, since the overall survey results provide a margin of error no greater than ±1.1% at the 95% confidence level or 19 times out of 20. Based on the outcome of all call attempts, a response rate of 64% was achieved for Cohort 1 and 59% for Cohort 2, with an overall response rate of 62%.

Public and Employer Surveys

Alberta Advanced Education collaborated with Alberta Education to commission telephone surveys of random samples of the Alberta public and key client groups. The purpose of these surveys is to obtain perceptions of how the education system is performing in meeting learners' and society's needs and expectations. Professional survey research firms are contracted to conduct the surveys, using trained interviewers and the Computer Assisted Telephone Interviewing (CATI) system. Survey results are compiled by the survey research firms and provided to the two Ministries. Surveys of the public are conducted annually. Graduate, employer, and learning system partners and stakeholder surveys are conducted every second year.

The following table provides sampling information about the public survey and the employer survey conducted for the two Ministries in recent years that are reported in this 2004/05 Annual Report. The information includes the respondent groups surveyed, sample sizes and the confidence intervals for results from each survey. Results are considered accurate within the confidence interval 19 times out of 20 (i.e. at a confidence level of 95%). Sampling variation can account for observed differences in results from year to year.

Public Surveys – Sample Sizes and Confidence Intervals

		2000/01	2001/02	2002/03	2003/04	2004/05
Public (re the adult learning system)	Sample Size	3,001	1,171	3,109	3,000	3,000
	Confidence Interval	±1.8%	±2.9%	±1.8%	±1.8%	±1.8%
Adult Learners	Sample Size	998	420	1,103	1,000	1,035
	Confidence Interval	±3.1%	±4.8%	±2.9%	±3.1%	±3.0%
Adults not participating in learning	Sample Size	2003	751	2,006	2,000	1,965
	Confidence Interval	±2.2%	±3.6%	±2.2%	±2.2%	±2.2%
Employers	Sample Size	—	2,003	—	2,000	—
	Confidence Interval	—	±2.2%	—	±2.2%	—

The survey instruments for these surveys use four-point response scales: *very satisfied, satisfied, dissatisfied, very dissatisfied* or *strongly agree, agree, disagree, strongly disagree*, depending on the question. Although not asked, *don't know* responses and refusals are recorded as well. Results presented are the combined percentages of respondents who were *very satisfied, satisfied*, or who *strongly agreed, agreed*.

Surveys of Partners and Stakeholders

Alberta Advanced Education commissioned telephone interviews with 9 representatives of provincial government departments (partners) and 37 representatives of stakeholder organizations to gain feedback about working relationships with ministry staff.

Respondents were asked to rate their agreement as to whether Alberta Advanced Education staff work collaboratively with them using the following response categories: *strongly agree, agree, disagree, strongly disagree*. While not included in the response categories, *don't know* responses also were recorded. Percentages reported are the combined percentages of partners and stakeholders who *strongly agree/agree* that Alberta Advanced Education's staff are collaborative.

Respondents also were asked to rate their agreement as to whether Alberta Advanced Education staff are: *responsive* (meaning that they are knowledgeable of the initiative, available to work on the initiative, and willing to respond promptly and courteously), and are *flexible* (meaning willing to consider alternative ideas or approaches, and can quickly adapt and anticipate changes that may affect initiatives). The following response categories were used: *strongly agree, agree, disagree, strongly disagree*. While not included in the response categories, *don't know* responses also were recorded. Percentages reported are the combined percentages of partners and stakeholders who *strongly agree/agree* that Alberta Advanced Education staff are responsive and are flexible.

The table below indicates the number of partner and stakeholder representatives that were surveyed in 2004/05. For the purpose of these surveys, partners are those who provide resources towards a shared objective or project, usually other government ministries. Stakeholders are those who are affected by the work of Advanced Education but don't provide direct resources to it (e.g., the Apprenticeship and Industry Training Board, the Council of Alberta University Students, the Council of Presidents, Colleges & Technical Institutes).

	Ministry Staff Are Collaborative			Ministry Staff are Responsive and Flexible		
	Total	Agree or Strongly Agree		Total	Agree or Strongly Agree	
		Number	Percent		Number	Percent
Partners	9	8	88.9%	18	14	77.8%
Stakeholders	37	37	100.0%	74	61	82.4%
Combined	46	45	97.8%	92	75	81.5%

These surveys use judgment sampling (a type of non-probability sampling method, for which confidence intervals are not applicable) and are conducted with partner and stakeholder representatives to obtain perceptions about their working relationships with Alberta Advanced Education staff. The partner and stakeholder surveys capture all major projects in which partners in other ministries worked with Alberta Advanced Education staff and all major stakeholder organizations that have an ongoing relationship with the Ministry.

Respondents are selected with extensive input from senior Ministry staff who have the greatest contact with senior staff in partner and stakeholder organizations. Stakeholder selection identifies individuals in senior positions in their organizations who have a broad understanding of the learning system and are in the best position to provide meaningful responses. Samples include representatives of the post-secondary institutions in the province because of their impact on significant numbers of students.

The small samples for these surveys contribute to variation in survey results from year to year. To illustrate the effect of sample size, each respondent in a survey sample of 100 accounts for one percent (1.0%) of the overall result, whereas each respondent in a survey of 1,000 respondents accounts for only one-tenth of one percent (0.1%) of the overall result.

Endnote B

Use of Confidence Intervals for Interpreting Survey Results

When a result is obtained by surveying a random sample of the target population (e.g., the public, employers, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the obtained result. A confidence interval indicates how much variation one might expect from the obtained survey result, as a consequence of sampling and diversity among respondents. Difference in survey results over time or among respondent groups on the same survey question are reported at the .05 level of confidence (i.e., the same results would be obtained in repeated surveys 19 times out of 20).

In Alberta Advanced Education's Annual Report, confidence intervals are used to determine:

- whether differences in survey results over time are likely the result of sampling variations, or represent actual change, and
- whether differences among respondent groups to the same question are likely the result of sampling variations or represent actual differences.

When comparing results of survey questions over time or among respondent groups, there is an actual difference between two survey results, 19 times out of 20, if there is no overlap between the confidence intervals of the two observed values. When this is the case, it is acknowledged in the related text that there is an increase, change, or significant difference in survey results over time or among groups. When the confidence intervals of the two observed values do overlap, the observed difference will be due to sampling variation 19 times out of 20, and we cannot conclude that the difference is real (i.e. significant). In such cases, the related text indicates that results are similar or stable over time or among groups.

The following hypothetical examples illustrate:

- a) two survey results where the confidence intervals overlap and, consequently, it is concluded that there is no real difference between the two survey results; and
 - b) two survey results where the confidence intervals do not overlap and, consequently, it is concluded that there is a real difference between the two survey results.
- a) Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the 76% result is 78.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals overlap, it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.
 - b) If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the 74% result is 76.5%, and the lower limit of the confidence interval of the 80% result is 77.5%. Since the confidence intervals do not overlap, it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference. In such cases, the related text indicates that there is a significant difference over time (i.e., an increase or decrease) or between groups.

Endnote C	Labour Force Survey The Labour Force Survey (LFS) is a monthly, Canada-wide survey, conducted by Statistics Canada, of a representative sample of households. Data are collected about all members of the household who are 15 years of age or older. Persons living on Indian reserves, full-time members of the regular Armed Forces, and persons living in institutions are excluded from the LFS. These groups represent about 2% of the population age 15+. The Canadian sample size for the LFS has been approximately 54,000 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2004, between 5,180 and 5,354 Alberta households were surveyed each month (an average of 5,258 per month), with information provided on between 10,421 and 10,701 individuals per month. Since the groups excluded from the LFS (as noted above) typically have lower education levels than the total population, educational attainment rates based on LFS data may be slightly higher than the rate would be for the total population age 15+. The coefficient of variation, or CV, (the standard error as a percentage of the reported result) for the LFS is 1.0% for both the Alberta and the Canadian data. Additional information on LFS methodology and interpreting CVs is available on pages 16-23 of the <i>Guide to the Labour Force Survey</i>, Catalogue no. 71-543-GIE (Revised, February 2004), available online from Statistics Canada: www.statcan.ca.
Endnote D	Employment Rates by Educational Attainment Employment Rates of Albertans aged 25-34 by Educational Attainment is based on data derived from the Statistics Canada's Labour Force Survey, Special Tabulation. The Labour Force Survey (LFS) is a monthly Canada-wide survey of a representative sample of households. Data are collected about all members of the household who are 15 years of age or older. Persons living on Indian reserves, full-time members of the regular Armed Forces, and persons living in institutions are excluded from the LFS. These groups represent about 2% of the population age 15+. Since these groups typically have lower employment levels than the total population, employment rates for 25-34 year-olds based on LFS data may be slightly higher than the rate would be for the total population of Albertans aged 25-34. The employment rates for 25-34 year-olds are presented as this age group represents recent outputs of Alberta's learning system. The employment rates are annual averages for the calendar year. The Canadian sample size for the LFS has been approximately 54,000 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2004, between 5,180 and 5,535 Alberta households were surveyed each month (an average of 5,258 per month), with information provided on between 10,421 and 10,701 individuals per month. Of these, about 1,852 to 1,938 individuals each month are aged 25-34. The coefficient of variation (the standard error as a percentage of the reported result) is 1.5%. Additional information on LFS methodology and interpreting CV's is available on pages 24-25 of the <i>Guide to Labour Force Survey</i>, Catalogue no. 71-543-GIE (Revised, February 2004), available online from Statistics Canada: www.statcan.ca.
Endnote E	Educational Attainment The Labour Force Survey (LFS) is a monthly, Canada-wide survey of a representative sample of households. Data are collected about all members of the household who are 15 years of age or older. Persons living on Indian reserves, full-time members of the regular Armed Forces, and persons living in institutions are excluded from the LFS. (These groups represent about 2% of the population age 15+.) Since these groups typically have lower employment levels than the total population, employment rates for 25-34 year-olds based on Labour Force Survey data may be slightly higher than the rate would be for the total population of Albertans aged 25-34.

The Canadian sample size for the LFS has been approximately 54,000 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2004, between 5,180 and 5,354 Alberta households were surveyed each month (an average of 5,258 per month), with information provided on between 10,421 and 10,701 individuals per month. Since the groups excluded from the LFS (as noted above) typically have lower education levels than the total population, educational attainment rates based on LFS data may be slightly higher than the rate would be for the total population age 15+.

The educational attainment rates presented are annual aggregates for the calendar year. The coefficient of variation, or CV, (the standard error as a percentage of the reported result) for the Labour Force Survey is 1.0% for both the Alberta and the Canadian data. Additional information on LFS methodology and interpreting CVs is available on pages 16-23 of the *Guide to the Labour Force Survey*, Catalogue no. 71-543-GIE (Revised, February 2004), available online from Statistics Canada: www.statcan.ca.

Endnote F

Post-Secondary Completion Rate

The post-secondary completion rate is based on tracking first-year, full-time career and undergraduate students in parchment programs (i.e., certificate, diploma and bachelor degree programs) at public post-secondary institutions. Students are tracked for the program length (typically one year for certificate, two years for diploma and four years for degree programs), plus three years in the institution where they entered as a first-time, full-time student. Three additional years are provided to account for a variety of circumstances, such as change in program, discontinuous enrolment, cooperative programs (alternate periods of work and study) and reduced course loads. Data for these calculations are extracted from the Learner Enrolment & Reporting System (LERS) when data for the previous academic year are complete. Students in graduate programs, university transfer programs and applied degree programs are excluded.

Post-secondary completion rates for institutions have been aggregated into two categories: university completion, which tracks students in four-year undergraduate degree programs, and college/technical institute completion which tracks students in certificate and diploma programs (usually up to two years of study). The university category includes Alberta College of Art and Design's programs, all of which are four-year undergraduate degree programs. Athabasca University is not included in the completion rate due to the lack of comparability between a distance-delivery institution and traditional campus-based universities. Also excluded are the private university colleges, as there is not yet sufficient information to generate a completion rate for these institutions.

The university sector completion rate is based on undergraduate programs tracked for seven years; therefore the 2000/01 rate is based on the 1994/95 entry cohort, the 2001/02 rate is based on the 1995/96 entry cohort, the 2002/03 rate is based on the 1996/97 entry cohort and the 2003/04 rate is based on the 1997/98 entry cohort.

The completion rates for the college and technical institute sectors is based on tracking first-time students for the program length plus three years, i.e. tracking for four years for a certificate program and five years for a diploma program.

This interim completion rate methodology is unable to track students who start at one institution but transfer to another institution. As a result, transfer students (both those who complete and those who do not) are counted as non-completers. Alberta Advanced Education is currently implementing an Alberta Student Number (ASN) for post-secondary students that would allow for a more accurate calculation of completion rates within the post-secondary system, including tracking of transfer students.

Endnote G	Apprenticeship Completion Rate The methodology used for arriving at the apprenticeship completion rate is based on tracking apprentices who have successfully completed all the work experience and formal training requirements for their first period of apprenticeship or who have received credit for prior learning or work experience for that year. These apprentices are tracked from the beginning of their second year, when significant public funds begin to be expended on their formal instruction, and are tracked for two years beyond the expected length of their trade program to determine completion. Only trade programs of at least two years in length are included since tracking begins in an apprentice's second year. Most trade programs are four years in length. The <i>Apprenticeship and Industry Training Act</i> stipulates that no one can be employed in certain occupations without either being a journeyman or an apprentice. Since apprenticeship registration is often a condition of employment, individuals may register as apprentices even though they may not intend to complete their program. Tracking apprentices starts in their second year, which reduces the cohort in recognition of those who register as a condition of employment, but do not intend to complete. Other factors may affect program completion times such as apprentices being laid off work, choosing to delay their technical training at the request of employers or for personal reasons. Given these employment conditions and factors affecting completion, two additional years is considered to be a reasonable length of time for apprentices to complete their programs. For example, the majority of apprentices in four-year programs would be expected to complete their programs within six years. Data are from the Skilled Trades Information System (STIS) maintained by the Apprenticeship and Industry Training Division of Alberta Advanced Education.
Endnote H	High School to Post-Secondary Transition Rate The High School to Post-Secondary Transition Rate reports the percentages of Alberta students who, within four and six years of starting Grade 10: • enrolled in a credit program, part-time or full-time, in an Alberta post-secondary institution; • registered in an apprenticeship program other than the Registered Apprenticeship Program for high school students. Students are tracked using Alberta Education and Alberta Advanced Education systems. The High School to Post-Secondary Transition Rate includes adjustments for attrition and for attendance at post-secondary institutions out-of-province. Attrition adjustments are based on estimates from Statistics Canada's Annual Demographic Statistics 2004 (R) (CD-ROM). The estimate of Alberta students attending post secondary institutions out-of-province uses aggregate student counts from Alberta Advanced Education's enrollment and Students Finance systems. Students whose education is not the responsibility of the provincial government, as well as students who are identified as having cognitive disabilities or a severe multiple disability are not reported on in the High School to Post-Secondary Transition Rate. Prior years' results have been restated as a result of revising the calculation of the out-of-province post-secondary attendance estimate.

Statement of Remissions, Compromises and Write-offs for the Year Ended March 31, 2005

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

	<i>(in thousands)</i>
Remissions under Section 21 of the <i>Financial Administration Act</i>	
Total remissions	\$ 46,887
Compromises under Section 22 of the <i>Financial Administration Act</i>	
Total compromises	11
Write-offs	
Total write offs – Implemented Guarantees, Indemnities, Loans and Advances – <i>Student Loan Act</i>	889
Total remissions, compromises and write-offs	\$ 47,787

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations for the Year Ended March 31, 2005

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Learning under the *Student Loan Act* for the year ended March 31, 2005, the amounts paid as a result of liability under guarantees, and the amounts recovered on debts owing as a result of payments under guarantees.

<i>(in thousands)</i>	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	\$ —	\$ 1,634	\$ 1,925

Alphabetical Listing of Government Entities' Financial Statements in Ministry 2004-05 Annual Reports

Entities included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency

Agriculture Financial Services Corporation¹
 Alberta Alcohol and Drug Abuse Commission
 Alberta Capital Finance Authority
 Alberta Energy and Utilities Board
 Alberta Foundation for the Arts
 Alberta Gaming and Liquor Commission
 Alberta Government Telephones Commission
 Alberta Heritage Foundation for Medical Research Endowment Fund
 Alberta Heritage Savings Trust Fund
 Alberta Heritage Scholarship Fund
 Alberta Heritage Science and Engineering Research Endowment Fund
 Alberta Historical Resources Foundation
 Alberta Insurance Council
 Alberta Pensions Administration Corporation
 Alberta Petroleum Marketing Commission
 Alberta Research Council Inc.
 Alberta Risk Management Fund
 Alberta School Foundation Fund
 Alberta Science and Research Authority
 Alberta Securities Commission
 Alberta Social Housing Corporation
 Alberta Sport, Recreation, Parks and Wildlife Foundation
 Alberta Treasury Branches
 ATB Investment Services Inc.
 Child and Family Services Authorities
 Calgary and Area Child and Family Services Authority
 Central Alberta Child and Family Services Authority
 East Central Alberta Child and Family Services Authority
 Edmonton and Area Child and Family Services Authority
 North Central Alberta Child and Family Services Authority
 Northeast Alberta Child and Family Services Authority
 Northwest Alberta Child and Family Services Authority
 Southeast Alberta Child and Family Services Authority
 Southwest Alberta Child and Family Services Authority
 Métis Settlements Child and Family Services Authority
 Credit Union Deposit Guarantee Corporation
 Crop Reinsurance Fund of Alberta¹
 Department of Agriculture, Food and Rural Development
 Department of Children's Services
 Department of Community Development
 Department of Education
 Department of Energy
 Department of Finance
 Department of Gaming

Ministry Annual Report

Agriculture, Food and Rural Development
 Health and Wellness
 Finance
 Energy
 Community Development
 Gaming
 Finance
 Finance
 Finance
 Finance
 Community Development
 Finance
 Finance
 Finance
 Energy
 Innovation and Science
 Finance
 Education
 Innovation and Science
 Finance
 Seniors and Community Supports
 Community Development
 Finance
 Finance
 Children's Services
 Finance
 Agriculture, Food and Rural Development
 Agriculture, Food and Rural Development
 Children's Services
 Community Development
 Education
 Energy
 Finance
 Gaming

¹ The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

Entities included in the Consolidated Government Reporting Entity (continued)

Ministry, Department, Fund or Agency	Ministry Annual Report
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Advanced Education ¹	Advanced Education
Ministry of Aboriginal Affairs and Northern Development ¹	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development ¹	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment ¹	Environment
Ministry of Finance	Finance
Ministry of Executive Council ¹	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services ¹	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment ¹	Human Resources and Employment
Ministry of Infrastructure and Transportation ¹	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations ¹	International and Intergovernmental Relations
Ministry of Justice ¹	Justice
Ministry of Municipal Affairs ¹	Municipal Affairs
Ministry of Restructuring and Government Efficiency ¹	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

¹ Ministry includes only the department, so separate department financial statements are not necessary.

Entities not included in the Consolidated Government Reporting Entity

<i>Fund or Agency</i>	<i>Ministry Annual Report</i>
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Post Secondary Institutions	Advanced Education
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Education
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

Appendix B

The Ministry of Advanced Education

Effective November 25, 2004, the former Ministry of Alberta Learning was divided to form the Ministry of Advanced Education and the Ministry of Education.

